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HOUSE OF COMMONS

Monday, March 20, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

SCIENCE AND TECHNOLOGY

TABLING OF JOINT COMMUNIQUÉ FOLLOWING MISSION TO JAPAN—STATEMENT BY MINISTER

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, I should like to table under the terms of Standing Order 41 copies in both official languages of the joint statement issued last Wednesday in Tokyo by the first Canadian science and technology mission, sponsored by the Minister of State for Science and Technology, and the Japanese government.

As I indicated, this was the first Canadian science and technology mission led by the new Minister of State for Science and Technology, and it represents an important Canadian initiative. The mission was described by the Japanese themselves as the most important one in the field of science and technology ever to be received by them. They accorded the Canadian group a high degree of co-operation.

The Canadians proposed collaboration with the Japanese with respect to exchanging information and personnel and advanced suggestions for consultation to clarify joint projects. The mission was successful in obtaining Japanese acceptance of these proposals. In my view this opens up a bright prospect for future relations between Canada and Japan in the science and technology field.

During ten days of intensive discussions with their Japanese counterparts, some 40 senior Canadians from industry, government and the universities spoke with well over 1,000 persons in key positions in Japan and visited many important centres of research and development in industry, universities and government departments and agencies. This intensive and in-depth consultation was achieved by the division of the mission into compact work groups, altogether 11 in number.

In our discussions and visits we were also looking for an explanation of the Japanese economic miracle of post-war expansion.

• (1410)

The joint statement touches on several important points. First, it marks the beginning of discussions which are expected to lead to some formal arrangement between Canada and Japan in the area of science and technology. Canada now has such arrangements with the Soviet Union, Germany and Belgium. In the meantime, additional discussions will be taking place at an early date to identify possible joint Canadian-Japanese endeavours in the field of oceanographic research and environmental studies.

Canada and Japan separately and together have vital interests in the ocean; indeed, they are joined together by the Pacific Ocean. Both countries have agreed to consider proposals for joint projects related to new ocean technologies, such as ocean data buoys or, perhaps, the development of new kinds of underwater construction machinery, essential for harvesting the mineral riches of the ocean floor.

Our countries will exchange information in many areas—environmental technology and urban and regional planning, to mention only two. Consideration will be given to collaboration in technology assessment, the developing art of looking ahead for possible harmful effects of the applications of science.

Senior Japanese and Canadian officials expect to be meeting in the next few months and regularly thereafter to co-ordinate and promote bilateral co-operation in science and technology and its applications.

The understanding reached by Canada and Japan is that exchanges of information are expected to result in much greater flow of scientific and technical knowledge between the two countries. We have much to learn from each other and exchanges of information and of personnel will be important parts of the learning process.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I take this opportunity to welcome the Minister of State for Science and Technology (Mr. Gillespie) back to the House from leading a Canadian scientific and technological mission to Japan. May I also thank him for making available an advance copy of the statement he has just made. I hope that future events will bear out the optimism expressed in the minister's statement and that reports of this kind will gradually take on more credibility.

I note with pleasure that this exchange is expected to lead to some formal arrangement between Canada and Japan in the area of science and technology, and that further talks will take place regarding possible Canadian-Japanese endeavours in the field of oceanographic research and environmental studies. It is recognized that the Japanese are leaders, if not pre-eminent, in these fields. It is also reassuring to note that the minister recognizes that harmful effects may possibly flow from the application of science and technology in certain fields.

This proposed exchange of information can only be successful to the degree that Canada is pre-eminent in some fields of scientific and technological application. This makes it urgent, I believe, for Canada to delineate policies in science and technology which will stimulate excellence. Therefore, in looking at the ever-broadening field of science and technology we must be increasingly

selective not only with regard to possible harmful effects of technological applications but with regard to the benefits that may accrue from the money and effort expended.

I also hope that the minister will make a statement at an early date on science policy generally and on the government's position with regard to the second report of the Senate Committee on Science and Technology.

I note in closing, Mr. Speaker, that the mission also was looking for an explanation of the Japanese economic miracle. I would not be surprised if a lesser level of economic competence than shown by the Japanese would seem a miracle to this government.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, every member of the House will agree that the fullest and freest exchange of scientific knowledge and know-how among all countries will be of value not merely to Canada but to the whole world. To the extent that Canada has initiated and participated in this kind of exchange with Japan and other countries we, of course, support the initiatives taken by the government.

I note, as did the spokesman for the official opposition, that in his statement the minister said the government was looking for an explanation of the Japanese economic miracle. The growth of the Japanese economy, its increased efficiency, the rapid expansion of the Japanese gross national product and the fantastic development of Japanese manufacturing industry have been one of the wonders of the world since world war II. Yet I hope we will learn from the Japanese how to avoid some of the mistakes they have made in their headlong rush in developing an urban industrial society. We certainly do not want in Canada the kind of environmental pollution which has been experienced in major cities of Japan. I hope we can learn from the mistakes they have made.

In the near future, Mr. Speaker, I hope we shall hear something more positive from the minister than the vague generalities he gave us in his statement. The Japanese have been singularly successful in expanding their industries and employment in manufacturing. They have developed products such as automobiles, scientific instruments, photographic equipment and so on which can compete with those of any other nation in the world.

I wonder whether the minister and his advisors will be looking at the steps the Japanese government took years ago to make certain that industry in Japan is controlled by the Japanese. Will the minister be looking at the difficulties we are experiencing in that many of our most important and largest industries are controlled by companies in the United States and other countries? These companies prefer to do their basic scientific research and apply the results to the development of industrial products in their own countries. Will the minister in the near future bring forward a policy that can be discussed in the House and outside, designed to induce Canadian industry to undertake the kind of research necessary to meet the problems of the 70's and 80's? That kind of research has not been undertaken so far.

[Mr. MacLean.]

BRITISH NORTH AMERICA ACT AND CANADA ELECTIONS ACT

AMENDMENT TO PROVIDE FOR RETIREMENT OF MEMBERS OF HOUSE OF COMMONS AT AGE 65

Mr. John M. Reid (Kenora-Rainy River) moved for leave to introduce Bill C-173, to amend the British North America Act and the Canada Elections Act (retirement age of members of the House of Commons).

Some hon. Members: Explain.

• (1420)

Mr. Reid: Mr. Speaker, the purpose of this bill is to provide for the retirement of parliamentarians at age 65. The reason is that since this parliament and other legislatures have seen fit to define age 65 as the age for retirement purposes for pension plans it seems appropriate that this should also apply to those who have made these laws.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

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

Mr. Speaker: Order, please. There are ten other notices of introduction of bills of which the Chair just received notice earlier today. There is some question concerning the procedural validity of some of these bills. While at the beginning of the session when we had well over 100 similar bills proposed it was difficult for the Chair to take the time to study them and to express an opinion then as to their validity for the purpose of having them presented for first reading, I believe that later in the session, when bills are presented individually or in a group of ten as we have today, the Chair ought to have an opportunity to look at these bills and express an opinion on whether they should be received for the purpose of introduction and first reading. I had a conversation with the hon. member for Skeena. I told him I had some doubt concerning the grammatical validity of the Latin included in the title of his bill, but that is really not the reason his bill is being stood today.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

CANADA MANPOWER CENTRES—RECORDS OF UNEMPLOYED

Question No. 15—**Mr. Marshall:**

What records are kept at Manpower centres on the work history and educational and training qualifications of the unemployed?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): The personal information forms used by Canada Manpower Centres for registering

persons seeking employment (including persons unemployed) include information on work history and educational and training qualifications.

NUMBER OF PERSONS IN RECEIPT OF OLD AGE SECURITY PAYMENTS AND GUARANTEED INCOME SUPPLEMENT

Question No. 27—**Mr. Knowles (Winnipeg North Centre):**

1. How many persons in Canada, by provinces, are in receipt of the Old Age Security pension?

2. Of the recipients of the Old Age Security pension, how many persons in Canada, by provinces, are in receipt of the Guaranteed Income Supplement?

3. Of those receiving the Guaranteed Income Supplement, how many persons in Canada, by provinces, are receiving the full amount?

4. What is the average amount, in Canada, and by provinces, being received as a Guaranteed Income Supplement by recipients of the Old Age Security pension?

5. Do the answers to the above questions take into consideration persons living outside of Canada who are in receipt of the Old Age Security pension and, if so, how many of such persons are there, and if they are considered as belonging to the various provinces what is the number for each province?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Newfoundland 32,692; Prince Edward Island 12,363; Nova Scotia 72,932; New Brunswick 54,797; Quebec 420,153; Ontario 646,485; Manitoba 96,937; Saskatchewan 94,984; Alberta 118,655; British Columbia 205,-190; Northwest Territories 848; Yukon 512.

2. Newfoundland 27,471; Prince Edward Island 9,502; Nova Scotia 48,854; New Brunswick 37,001; Quebec 258,-614; Ontario 305,093; Manitoba 57,321; Saskatchewan 56,715; Alberta 69,186; British Columbia 107,255; Northwest Territories 742; Yukon 314.

3. Newfoundland 6,470; Prince Edward Island 1,361; Nova Scotia 8,975; New Brunswick 5,792; Quebec 33,237; Ontario 24,097; Manitoba 6,161; Saskatchewan 6,372; Alberta 7,981; British Columbia 10,138; Northwest Territories 173; Yukon 48.

4. Newfoundland $49; Prince Edward Island $46; Nova Scotia $47; New Brunswick $45; Quebec $47; Ontario $42; Manitoba $44; Saskatchewan $43; Alberta $45; British Columbia $43; Northwest Territories $55; Yukon $55; National $44.

N.B.—The figures given are on a monthly basis.

5. Yes. As of December 1971, the latest month for which figures are available, there were 44,841 persons in receipt of the Old Age Security pension outside of Canada. Some of these pensioners would be absent temporarily, and others on a permanent basis. Some might be receiving a Guaranteed Income Supplement, which is payable for the first six months of absence following departure from Canada, but no figures are available. The breakdown by province of last residence is as follows: Newfoundland 321; Prince Edward Island 231; Nova Scotia 1,178; New Brunswick 1,276; Quebec 9,908; Ontario 17,425; Manitoba 1,954; Saskatchewan 1,706; Alberta 2,206; British Columbia 8,613; Northwest Territories 5; Yukon 18.

N.B. The figures above are as of December 1971.

[Editor's Note: See corrected answer page 1332.]

ROYAL CANADIAN MOUNTED POLICE—PENSIONS

Question No. 32—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired Royal Canadian Mounted Police personnel are receiving pensions including their basic pensions and any supplement or supplements added thereto, of amounts within each of the following brackets (a) less than $20 per month (b) $20 to $29.99 per month (c) $30 to $39.99 per month (d) $40 to $49.99 per month (e) $50 to $59.99 per month (f) $60 to $69.99 per month (g) $70 to $79.99 per month (h) $80 to $89.99 per month (i) $90 to $99.99 per month (j) $100 to $149.99 per month (k) $150 to $199.99 per month (l) $200 to $249.99 per month (m) $250 to $299.99 per month (n) $300 per month and over?

2. How many widows of R.C.M.P. personnel or of retired R.C.M.P. personnel are receiving pensions, including their basic pensions and any supplement or supplements added thereto, of amounts within each of the brackets indicated in the above question?

3. What is the number of retired R.C.M.P. personnel and also the number of widows of R.C.M.P. personnel or of retired R.C.M.P. personnel presently residing in each province?

4. In respect of how many orphans of R.C.M.P. personnel are pensions being paid and what is the average amount thereof?

Hon. Jean-Pierre Goyer (Solicitor General): In regard to the Department of the Solicitor General: 1. (a) 19; (b) 14; (c) 10; (d) 14; (e) 14; (f) 15; (g) 19; (h) 18; (i) 23; (j) 197; (k) 352; (l) 374; (m) 343; (n) 1,201.

(a) 3; (b) 1; (c) 2; (d) 2; (e) 8; (f) 7; (g) 10; (h) 10; (i) 8; (j) 42; (k) 37; (l) 30; (m) 8; (n) 20.

3.

Province	Retired Personnel	Widows
Newfoundland	45	2
Prince Edward Island	19	—
Nova Scotia	211	9
New Brunswick	87	3
Quebec	191	5
Ontario	578	51
Manitoba	138	7
Saskatchewan	161	12
Alberta	359	16
British Columbia	737	77
Northwest Territories	27	1
Outside Canada	60	5

4. Sixty-eight, average monthly payment $49.95.

RCMP—SUPERANNUATION ACCOUNT

Question No. 33—**Mr. Knowles (Winnipeg North Centre):**

1. What was the total amount of money in the Royal Canadian Mounted Police Superannuation Account as at (a) March 31, 1969 (b) March 31, 1970 (c) March 31, 1971?

2. What rate of interest has the Government paid for the use of this money during the fiscal years ending on the dates noted above?

3. What amount of interest was credited to the Royal Canadian Mounted Police Superannuation Account during the fiscal years ending (a) March 31, 1969 (b) March 31, 1970 (c) March 31, 1971?

4. What was the total amount paid out of the Royal Canadian Mounted Police Superannuation Account during the fiscal years ending (a) March 31, 1969 (b) March 31, 1970 (c) March 31, 1971?

Questions

Hon. Jean-Pierre Goyer (Solicitor General): For the Department of the Solicitor General of Canada: 1. (a) March 31, 1969, $130,811,253.12; (b) March 31, 1970, $165,-764,567,44; (c) March 31, 1971, $199,716,533.74.

2. March 31, 1969, 4 per cent; March 31, 1970, 4.7862 per cent; March 31, 1971, 5.346 per cent.

3. (a) March 31, 1969, $4,494,764.86; (b) March 31, 1970, $5,454,750.61; (c) March 31, 1971, $6,908,425.99.

4. (a) March 31, 1969, $1,101,036.09; (b) March 31, 1970, $1,315,474.24; (c) March 31, 1971, $1,525,344.69.

POLITICAL PARTICIPATION BY MEMBERS OF THE PUBLIC SERVICE

Question No. 40—**Mr. McBride:**

Is it the intention of the government to introduce appropriate legislation to extend to the members of the Public Service of Canada full rights of political participation?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): No change in legislation is proposed at the present time.

[*English*]

ABITIBI CONSTITUENCY—ENTERPRISES SUBSIDIZED BY DREE

Question No. 54—**Mr. Laprise:**

Have any enterprises in the constituency of Abitibi been subsidized by the Department of Regional Economic Expansion since the Regional Development Incentives Act was passed and, if so (a) which ones (b) what was the amount paid to each (c) how many new jobs were created?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Yes.

(a) Company	(b) Estimated Amount of Incentive $	(c) Estimated Number of New Jobs
J. H. Normick Inc.	647,613	50
Paradis & Sons Ltd.	110,314	16
Abiex Inc.	352,588	53
Camille Richard Inc.	477,511	65
Les Industries Alarie de Malartic Ltée	365,808	78
Imprimerie Bérard Ltée	24,395	6
Hitland Clay Products Inc.	31,083	13
J. J. Cosette Inc.	71,630	18
Roberge & Fils Inc.	14,658	6
Auto-Confort (R) Inc.	41,100	51
M & M Auto Parts Inc.	86,100	9

[Mr. Knowles (Winnipeg North Centre).]

[*English*]

CBC—COST OF PRODUCTION OF TV JALNA SERIES

Question No. 56—**Mr. Mather:**

What is the total estimated cost of production of the CBC TV Jalna series?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: It has not been customary to require the CBC to disclose program costs as such information could adversely affect the Corporation in the competitive business in which it is engaged.

[*English*]

GRANTS UNDER FAMILY PLANNING PROGRAM

Question No. 65—**Mrs. MacInnis:**

Since the initiation of the Family Planning Program by the Minister of National Health and Welfare on May 5, 1971 (a) to what organizations were grants made and what was the amount in each case (b) what organizations have been refused grants and what was the amount of money requested in each case (c) what organizations have applications for grants still pending and what amounts of money are being requested in each case?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Projects received and assisted in the field of family planning are as follows: National Health Grant Program: Family planning Federation of Canada, $60,000; Service de Régulation des Naissances, $25,000.

National Welfare Grant Program: Centre de Planning Familial du Québec Inc. Montréal, $500; Ministère des Affaires Sociales du Québec, $37,670; Planned Parenthood Society of Hamilton, $17,540; United Community Services of the Greater Vancouver Area, $6,597; Family Planning Federation of Canada, $40,000.

Family Planning Grant Program: Family Planning Federation of Canada, $385,000; Service de Régulation des Naissances, $40,000.

2. It is not the policy of the department to divulge the names of unsuccessful groups or individuals.

3. It is not the policy of the department to divulge the names of applicants. However, we have now one application ($25,000) being examined.

N.B.—A considerable sum of money has been allocated for the National Conference on Family Planning held in Ottawa at the end of February. Approximately 300 delegates participated. Approximately $200,000 was also allocated as grants for research in the field of family planning during the fiscal year 1970-71.

DEPARTMENT OF AGRICULTURE—EMPLOYMENT OF MR. DION, BERTHIER-EN-BAS

Question No. 122—**Mr. Beaudoin:**

Is Mr. Dion from Berthier-en-Bas, in the constituency of Montmagny, employed by the Department of Agriculture or one of its agencies and, if so (a) what are his duties (b) what is his annual salary?

Hon. H. A. Olson (Minister of Agriculture): No, (a) not applicable (b) not applicable.

POST OFFICE—COST OF COLLECTING POSTAGE DUE BY MEANS OF HONOUR SYSTEM CARDS

Question No. 134—**Mr. Coates:**

1. What was the cost of producing the cards informing Canadians postage was due when the Post Office Department increased the price of postage stamps from seven cents to eight cents?

2. Who produced the cards?

3. How many were produced and how many were used?

4. Of the total number mailed regarding underpayment of postage (a) how many were returned with the postage payment (b) what was the total amount received (c) how many who were contacted for such underpayment did not return the cards?

5. What was the total cost to the Post Office Department for this operation?

Hon. Jean-Pierre Côté (Postmaster General): The process of collecting postage due by means of Honour System Cards was instituted some years ago and is a continuing system. No special provisions or cards were made as a result of recent increases in postage rates. No special statistics are maintained and it would not be possible to furnish the information requested in questions 1 to 5. Incidentally, these cards are not mailed but are left by the delivering employee with the postage due item.

DISTRIBUTION OF POSTER ADVERTISING FOR ASSISTANT TO WAR VETERANS ALLOWANCE BOARD CHAIRMAN

Question No. 137—**Mr. Marshall:**

1. What was the distribution of Poster 72 DVA-HQ1 advertising for an Executive Assistant to the War Veterans Allowance Board Chairman?

2. Were copies sent to all Canadian Legion Branches?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: 1. All departments throughout Canada and Overseas. All portions of the Public Service of Canada that are separate employers. All agencies, boards and corporations. Members of Parliament. Deputy Ministers. All placement Officers in universities, institutes and colleges throughout Canada. Canada Manpower Centres. Certified Bargaining Agents. In addition, an advertisement was placed in all the major daily newspapers throughout Canada.

2. No. However, an advertisement was placed in "The Legion".

[*English*]

ANALYSIS OF MERCURY CONTENT IN FISH—GOUIN BASIN

Question No. 154—**Mr. Matte:**

1. Has any analysis been made of the mercury content in fish, especially pickerel and pike, in the Gouin Basin in Haute-Mauricie and, if so (a) on what date was such analysis made (b) for what reason (c) who requested such analysis (d) what were the exact results for each lake and river in the Basin?

2. Have any shipments of pickerel and pike from the Gouin Basin been rejected in the United States and, if so (a) who was the consignee (b) who was the shipper (c) what assurance is there that the fish really came from the Gouin Basin?

3. What would be the exact causes of the high mercury content of the pickerel and pike in this area?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries): 1. Yes.

(a) Location	Sampling Period
Reservoir Gouin	June to September 1971
Lac Levasseur	August to September 1971
Riviere St. Maurice	June to August 1971

(b) To ensure that the commercial fish production from the area in question complies with the guidelines established by the Department of National Health and Welfare.

(c) The Inspection Branch, Fisheries Services, Department of the Environment.

(d) Lake or River	Species	Mercury Levels in PPM Low	Mean	High
Reservoir Gouin	(Pickerel)	0.23	0.82	1.63
	(Pike)	0.22	1.23	1.84
Lac Levasseur	(Pickerel)	0.54	0.71	1.01
	(Pike)	0.32	0.72	1.33
Riviere St. Maurice	(Pickerel)	0.29	0.82	1.27

2. No.

3. The contamination may be the result of mercury compounds being leached into the watershed from natural geological occurrences such as from cinnabar deposits, as is the situation in a number of other locations in Canada. There is no evidence to indicate that mercury contamination of pickerel and pike harvested from the Gouin Basin is attributable to industrial pollution.

COMMITMENTS UNDER AGRICULTURAL STABILIZATION BOARD TO OFFSET UNITED STATES 10 PER CENT SURTAX

Question No. 201—**Mr. Burton:**

What commitments were made by the government under the Agricultural Stabilization Board to offset difficulties during the period when the United States 10 per cent surtax was in effect?

Hon. H. A. Olson (Minister of Agriculture): During the period when the United States 10 per cent surtax was in effect the Agricultural Stabilization Board: 1. Offered a special subsidy of 50 cents per bird for fowl slaughtered during an eight week period providing the number slaughtered exceeded the normal kill in the period; the subsidy to be pro rated among all producers.

2. Offered to purchase and can up to 4 million pounds of eviscerated turkeys.

3. Offered to purchase Canada No. 1 potatoes at $1.50 per hundredweight.

4. Offered $114,000 to the Canadian Horticultural Council for market promotion of fresh apples.

5. Offered a supplementary subsidy of 1½ cents per pound to blueberry producers on product delivered in the period August 16, 1971 to October 15, 1971.

Orders for Returns

INTERNATIONAL TREATY ON MARITIME POLLUTION

Question No. 237—**Mr. Robinson:**

Has Canada participated in a proposal for an international treaty on maritime pollution and, if so, will the federal government advise if it will sponsor a resolution revising the United Nations Charter to create a United Nations secretariat on marine pollution?

Hon. Mitchell Sharp (Secretary of State to External Affairs): The problem of marine pollution is at present being considered in connection with the preparatory work for the UN Conference on the Human Environment which will take place in Stockholm in June this year, the Marine Pollution Conference to be sponsored by the Inter-governmental Maritime Consultative Organization in London in June 1973, and the Law of the Sea Conference which may also take place in 1973. Canada is participating in the preparatory work for these three conferences and in the course of this preparatory work the possibility of an international treaty on marine pollution has been discussed. Largely as a result of Canadian initiative, a body of principles on the prevention of marine pollution and the preservation of the marine environment has been prepared for submission to the Stockholm Conference as part of the action plan for the control of pollutants having international implications, to be considered by the Conference. The endorsement of these marine pollution principles by the Stockholm Conference should assist the elaboration of any international treaty or treaties respecting marine pollution in the post-Stockholm period.

At present, proposals relating to the establishment of an organization within the UN system responsible for matters involving the marine environment are being considered in conjunction with the broader institutional questions which will be considered at the Stockholm Conference. The Secretary-General for the Conference has developed proposals on this subject which are being studied by governments. Canadian proposals on this matter with respect to both the environment generally and the marine environment specifically are now being actively considered in the light of the Secretary-General's proposals. At this stage, however, I am unable to go into detail on the scope and content of these proposals.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN ARMED FORCES—RESERVE REGIMENTS

Question No. 120—**Mr. Latulippe:**

Are there still reserve regiments in the Canadian Armed Forces and, if so (a) how many (b) what is the name of each such regiment (c) what is the total strength of each (d) what was the average salary of each member of the reserves for the year 1971?

Return tabled.

CROP INSURANCE ACT PROGRAM

Question No. 241—**Mr. Southam:**

1. Under the Crop Insurance Act, what provinces have enacted enabling legislation?

2. By province, how many farmers received indemnities under this program in 1971?

[Mr. Olson.]

3.By province, what were the total indemnities paid to farmers under this program in 1971?

4. By province, what crops were covered by the Crop Insurance Act in 1971?

5. By province, what were the chief causes of crop losses in 1971?

6. By province, what were the total premiums paid by farmers under the Plan?

7. By province, what amounts did the federal government contribute towards the premium costs?

8. By province, what amount did the federal government contribute towards the cost of administration of the Plan?

Return tabled.

ORAL QUESTION PERIOD

POLLUTION

OIL SPILL FROM FREIGHTER "VANLENE"—
INTRODUCTION OF REGULATIONS TO CONTROL
POTENTIAL HAZARDS—REMOVAL OF FUEL—
ASSUMPTION OF COST

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence from the House of the Minister of the Environment and the Minister of Transport I sent to the Prime Minister's office notice that I would be asking the Prime Minister some questions about the oil spill off Vancouver Island from the freighter *Vanlene*. When can we expect effective regulations under the Canada Shipping Act, and particularly under Bill C-2, with a view to controlling the potential hazards that arise in Canadian waters from vessels such as these?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Leader of the Opposition was good enough to let me know he would ask this question. I shall attempt to answer it. The two ministers will be in the House tomorrow and might be able to give more detailed information. On the attempts to control this type of thing, I can tell the Leader of the Opposition that some measures have been taken under the Canada Shipping Act. As a matter of fact, I am meeting one premier this afternoon to discuss the application of them. We do not yet know the cause of this particular disaster. Therefore it is impossible to know at this stage what could have been done to prevent it. However, a preliminary investigation has begun in Vancouver, and when we know the cause of this wreck we might be able to determine means of preventing them in the future.

Mr. Stanfield: What steps are being taken to remove from the vessel the remainder of the bunker fuel.

Mr. Trudeau: I understand that as of Friday a barge and some booms were alongside the wreck and that the operation of taking off the fuel had not begun because of bad weather but will begin any time now, if it has not begun. The apparatus is there and will begin to operate as soon as the weather permits.

Mr. Stanfield: I have one further supplementary question, Mr. Speaker. In reply to my first question the Prime

Minister referred to a fund established in connection with oil tankers in our waters as distinct from freighters such as this ship. Has the government in fact undertaken to underwrite the clean-up cost in connection with this oil spill and, if so, what fund will take care of it?

Mr. Trudeau: Once again, we do not know the cause of the disaster and therefore we cannot yet at this date ascertain the responsibility. If it is possible, of course, to determine responsibility on someone's behalf, we will take suit in the normal fashion.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary question for the Prime Minister. In view of the fact the Prime Minister is meeting Premier Hatfield today to discuss the oil pollution fund, will the Prime Minister himself, or through the ministers involved, see that the whole subject is related to the fact that we in the Maritimes may be paying through this levy for some of the damage on the west coast?

Mr. Speaker: Order, please. I would think that the question is in the form of a representation or an argument.

POSSIBLE LEGISLATION TO CONTROL OIL-CARRYING SHIPS ON PACIFIC COAST

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I address a supplementary question to the right hon. Prime Minister. In view of the fact this oil spill is not the only one that has taken place—there was one a few days ago in Nanoose Bay from Department of National Defence ships there—is the government contemplating any legislation that would restrict and control the type of movement of oil-carrying vessels on the Pacific coast so as to prevent the recurrence of these many, very dangerous spills that have taken place in recent months?

Right Hon. P. E. Trudeau (Prime Minister): The House of Commons knows that we took this kind of measure as regards shipping in the Arctic zone. However, with regard to the east and west coasts nothing is contemplated at this time beyond the legislation we have already brought forward to amend the Canada Shipping Act.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Prime Minister with reference to his last answer that we do have legislation, Bill C-2, covering this subject. When does the government intend to bring in regulations under that bill to tighten up security with regard to ships of this kind?

Mr. Trudeau: I am afraid I will have to defer on that question to the Minister of Transport.

Mr. Speaker: I recognize the hon. member for Dartmouth-Halifax East for the last supplementary on this subject.

OIL SPILLS—SUGGESTED PAYMENT OF CLEAN-UP COSTS FROM GENERAL REVENUES PENDING BUILD-UP OF FUND FROM LEVY

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to ask the Prime Minister whether or not he would now consider in cabinet the advisability of the government establishing out of general revenues the required fund for the clean-up of oil pollution so that we would not have to wait for a number of years for the levy on oil movements to build up the fund to the level indicated as adequate by the government?

• (1430)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the House knows that the government has not waited for the establishment of this fund. We have had to clean up spills in the past and we will continue to do so in the future. This levy is just a way whereby we can ensure that the large corporations which are moving oil will in some manner be able to pay for any damages which result from any accident.

* * *

EXTERNAL AFFAIRS

EXPLOSION OF NUCLEAR DEVICE IN ATMOSPHERE BY PEOPLE'S REPUBLIC OF CHINA—GOVERNMENT REPRESENTATIONS

Mr. David Lewis (York South): Mr. Speaker, I would like to ask the Secretary of State for External Affairs whether the government of the People's Republic of China had informed the Canadian government of its intention to explode a nuclear device in the atmosphere and, if so, whether this government expressed any protest against that intention?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer to the question, Mr. Speaker, is no. The People's Republic of China did not notify us in advance. They do know, of course, our attitude toward explosions in the atmosphere. We are hoping the People's Republic of China will abandon its position and join with the Soviet Union and the United States in bringing an end to these tests in the atmosphere.

Mr. Lewis: Mr. Speaker, the report about the explosion the other day also stated that the government of the People's Republic of China intends to explode some other kind of nuclear device in the atmosphere in the future. In view of that, is the government considering making formal representations to the government of China, through the diplomatic channels which are now open, urging that government not to continue these tests?

Mr. Sharp: Yes, Mr. Speaker, I have been considering this. I do not know whether it would add to the force of the representations we have already made to them both publicly and privately, but it is a suggestion that I have in hand. I do not want to get into the position, however, where protests of this kind are routine matters that follow each time they explode one of these devices. What we are looking for is an end to the testing, not the satisfaction of protesting.

Mr. Lewis: Mr. Speaker, I am not asking for the satisfaction of protesting. Is the minister considering this kind of protest as a means of trying to persuade the government of the People's Republic of China to join the ban on

testing in the atmosphere which has now been signed, and to participate in the discussions on the banning of all other kinds of testing?

Mr. Sharp: Yes, Mr. Speaker, I think this kind of representation would be a good deal more fruitful than a simple protest. They know our position. This is the line we have been following. We will be urging the Chinese and the French to participate in the ban on nuclear testing in the atmosphere, and to follow the Canadian position which is that all kinds of nuclear testing should be abandoned.

* * *

[*Translation*]

FAMILY INCOME SECURITY

FAMILY ALLOWANCES—REQUEST FOR PROGRAM ADVANTAGEOUS TO FAMILIES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Prime Minister.

I would ask him whether a date has been agreed upon between officials of the Department of National Health and Welfare and their counterparts in Quebec in order to find an acceptable repatriation formula for family allowances and, if so, could he assure the House that this formula will be more acceptable to families than to provinces?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Quebec premier sent me a telegram on Friday to inform me that he proposed that our officials should meet to discuss this problem. I feel that the point made by the hon. member with regard to the importance of worrying about families rather than provinces or governments is well taken, and we will keep it in mind.

* * *

[*English*]

ENERGY

PROPOSED MACKENZIE VALLEY PIPELINE—ACCEPTANCE BY GOVERNMENT OF TRANSPORTATION CORRIDOR STUDY CONCLUSIONS

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. It is prompted by statements reportedly made by the Minister of State in Calgary over the weekend. Has the government accepted the basic general conclusions of the transportation corridor study relative to the Mackenzie River valley by Canadian National Railways and the Alberta Gas Trunk Line Company Limited?

Mr. Speaker: Order, please. I would hope the question could be asked directly. I have suggested to hon. members previously that it is not quite in order to ask questions about statements made outside the House unless they are asked of the Prime Minister to inquire whether a statement made outside the House represents government policy. The hon. member, however, is entitled to ask the question of the minister directly.

[Mr. Lewis.]

Mr. Aiken: Mr. Speaker, I had attempted to do that, but in any case may I ask the minister directly the question I have already outlined?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have stated, as early as last August, that we would create a corridor for the construction of gas and oil pipelines in the north. However, we have not yet reached a final decision with regard to this corridor; when this is done we shall inform hon. members.

[*English*]

Mr. Aiken: Mr. Speaker, I would like to ask the minister whether the government has been provided with a copy of the report on this subject reportedly released today by the government of the United States in Washington?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am not aware that a report on this subject has been published today by the United States government.

* * *

[*English*]

GRAIN

WHEAT—INQUIRY AS TO DATE OF ACREAGE PAYMENTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I address my question to the Minister of Justice. It has to do with the matter of acreage payments being made by the government of Canada, based on the amount of money estimated to be that which a two-price system would provide. I think it was some three weeks ago that he said an announcement would be made shortly. Naturally, the farmers out west, as the spring work is approaching, are anxious to know when they are going to get the payments.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, what I indicated a few weeks ago would be announced shortly was the manner of distribution of the money, and that was announced some time ago. We are working on the exact figures and the manner of payment now. I would expect that the actual distribution, for the first time in connection with 1972, would be made some time in the month of April.

Mr. Diefenbaker: Mr. Speaker, I do not quite understand the meaning of "distribution for the first time." What is the meaning of those words?

Mr. Lang: Well, Mr. Speaker, I am talking about this year's payment.

Mr. Diefenbaker: Oh, I see, Mr. Speaker. Does the date of the distribution bear any relationship to the metaphysical musings of the Prime Minister on "Encounter" yesterday, as to the possible date of an election?

Mr. Speaker: Order, please.

HOUSING

INCLUSION OF PRESENT PURCHASES OF PROPERTIES BY MUNICIPALITIES UNDER NEW URBAN RENEWAL COST-SHARING SCHEME

Mr. Derek Blackburn (Brant): Mr. Speaker, I have a question for the Minister of State for Urban Affairs. In view of the fact plans are being made for changes in urban renewal policy, can the minister give assurance that properties and real estate purchased by municipalities at the present time will come under the new cost-sharing scheme when the new program comes into effect?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I would not want to answer that until any new proposals were in fact laid before parliament.

* * *

FINANCE

METHOD OF MEETING DEFICIT IN PRESENT BUDGET

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. Does the minister intend to cover the deficit in the present budget, estimated at $750 million to $1 billion, by using the private bond market, or by use of the private banks or the Bank of Canada, generally considered to be inflationary in character?

Mr. Speaker: Order, please. I have serious doubts about the hon. member's question. I do not think it is the kind of question that ought to be asked at this time.

* * *

TRADE

POSSIBLE RELATIONSHIP BETWEEN DISCUSSIONS WITH UNITED STATES ON CANADIAN EXEMPTION FROM INTEREST EQUALIZATION TAX AND AUTO PACT NEGOTIATIONS

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, may I direct a question to the Minister of Finance. Can the minister say whether there have been discussions recently with the United States government on Canada's present exemption from the interest equalization tax, and are these discussions connected in any way with the auto pact?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if there have been such discussions they would have been within the purview of my colleague, the Minister of Industry, Trade and Commerce, but none have been had at the ministerial level, to my knowledge.

POSSIBILITY OF UNITED STATES AUTOMOBILE MANUFACTURERS NOT USING DISC PROGRAM

Mr. Mac T. McCutcheon (Lambton-Kent): I thank the minister very much, Mr. Speaker. I was just following the instructions of the Minister of Industry, Trade and Commerce in his answer on Friday. Mr. Speaker, I wonder if I

might direct a supplementary question to the Prime Minister. On Friday the Minister of Industry, Trade and Commerce stated:

I understand the automobile manufacturers in the United States have no intention of using it—

The DISC program. Can the Prime Minister inform the House whether the government has in fact received any sort of formal assurance from the U.S. auto industry that they will not use DISC?

• (1440)

Right Hon. P. E. Trudeau (Prime Minister): Certainly, Mr. Speaker, the government as a whole has not received such assurance, but the question might be referred to the Minister of Industry, Trade and Commerce. I will do that and see if anything has been given to him in the way of assurance which has not yet been brought to the attention of the cabinet.

* * *

CANADIAN CULTURE

ALLOCATION OF FUNDS TO ETHNIC GROUPS TO EXPAND ACTIVITIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Secretary of State whether the government has yet allocated funds to support the various ethnic and cultural groups in Canada in preserving and expanding their multicultural activities, as announced by the Prime Minister last October?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I shall take the question under advisement, Mr. Speaker, and shall be glad to let the hon. member have the reply.

[*English*]

Mr. Speaker: The hon. member for Malpeque.

Mr. Orlikow: A supplementary, Mr. Speaker—

Mr. Speaker: Perhaps we might hear the supplementary first and then the hon. member for Malpeque will be recognized.

Mr. Orlikow: When the minister replies to the question would he indicate whether the plans of the federal government have been discussed with the provincial governments so that the activities of the two levels of government can be co-ordinated in one plan?

Mr. Speaker: The hon. member for Malpeque.

* * *

AGRICULTURE

PRINCE EDWARD ISLAND—DISPOSITION OF POTATOES PURCHASED BY STABILIZATION BOARD—RESPONSE TO RESOLUTION PASSED BY LEGISLATURE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Agriculture.

Has the minister any further statement to make at the present time regarding the disposition of potatoes which have been purchased by the Agricultural Stabilization Board in light of the resolution forwarded to him by the Prince Edward Island legislature on the matter?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not think I will be making a statement today. However, we are taking note of that resolution and also some other representations that have been made by the Prince Edward Island Federation of Agriculture. Perhaps by tomorrow or Wednesday I shall be able to give a more definitive reply.

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NATIONAL CAPITAL

GOVERNMENT POSITION ON RECOMMENDATION OF JOINT COMMITTEE ON THE CONSTITUTION

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. In view of the recommendation made by the Joint Committee on the Constitution about the future governing of the national capital region, can the minister state whether the government is prepared to deal with this recommendation and whether it is in favour of it?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, like any House committee report we are studying the whole of the report and certainly its recommendations relating to the national capital will be studied very carefully by me. They are interesting recommendations which make a useful contribution to the debate on the subject, but before making a careful study I would not want to commit myself one way or another on them. I am glad the mistake regarding some wording in the report has been cleared up. I would think that at some appropriate time in the future the whole question of the operations of the National Capital Commission could well be studied by a House and Senate committee that would examine all the issues surrounding the National Capital Commission.

Mr. Howard (Skeena): Did you say yes, no, or maybe?

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EXTERNAL AFFAIRS

POSSIBLE OPENING OF MISSIONS IN ZAMBIA AND BARBADOS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Now that we have re-entered the big spending spree era, can the minister indicate whether it is his intention to open missions in Zambia and Barbados?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there are a number of recommendations before cabinet now dealing with the opening of some missions. We have the usual financial constraints that I know are supported by members of the opposition,

but within those limits I hope we will be able to make progress.

* * *

GRAIN

SUGGESTED ESTABLISHMENT OF ADDITIONAL TERMINAL ELEVATORS AT PRINCE RUPERT TO RELIEVE PRESSURE ON EXISTING EXPORT FACILITIES

Mr. Frank Howard (Skeena): Mr. Speaker, the other day I asked the right hon. Prime Minister about the operations of the Wheat Board or the Department of Finance with respect to allocating funds for an enlargement of or addition to the Canadian government grain elevator facilities in the port of Prince Rupert. May I ask the Minister of Justice whether he has any plans this year to provide funds for such an expansion or enlargement?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, with the record movements of grain going out from the west coast an attempt is being made to use the present facilities in Prince Rupert to a maximum. We are looking at a number of alternatives for increasing that capacity, including the question of whether moving clean grain will increase the over-all working capacity. In addition, my colleague the Minister of Transport has under very active consideration steps which might permit the enlargement of the capacity or the facility itself.

Mr. Howard (Skeena): In light of the latter part of the answer about increasing the capacity of that port for grain shipment, could the minister put any timetable on that? Would he be prepared to say it would be before the end of this fiscal year or before the Minister of Finance introduces his first budget?

Mr. Speaker: Apparently the matter is being considered by the minister. In the meantime the Chair will recognize the Leader of the Opposition.

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THE CANADIAN ECONOMY

VIEW OF ACTING MINISTER OF MANPOWER AND IMMIGRATION AS TO POTENTIAL

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Acting Minister of Manpower and Immigration whether it is his view that the economy is right at potential?

Mr. Speaker: Order, please. That question, of course, is not in order. I am sure the hon. Leader of the Opposition knows that he cannot ask a question of that kind which is merely an invitation to express an opinion.

Mr. Stanfield: Mr. Speaker, I am seeking the view of the government with regard to its economic policies and, with every respect, I would therefore suggest that it is proper to ask the Acting Minister of Manpower and Immigration whether it is his position that the economy is right at potential, particularly in view of the large amount of unemployment.

Mr. Speaker: Order, please. Of course, that is the opinion of the hon. gentleman but it is not mine. I judge from the procedural standpoint and to my mind it is clearly not in order. The hon. Leader of the Opposition may wish to rephrase the question.

Mr. Stanfield: May I ask the Acting Minister of Manpower and Immigration whether it is his view that an increased rate of private investment, which according to the government's own survey is to be about the same level as last year, should not be encouraged because it would be going beyond the potential of the economy?

Mr. Speaker: Order, please. I do not wish to be difficult and I shall allow the minister to reply to the hon. gentleman's question, but I again suggest very respectfully that when a member asks a minister whether it is his view that such and such a situation exists it is an invitation to express an opinion. I could read many precedents to the effect that this kind of question is not procedurally correct. Again I want to insist that I certainly do not want to be too difficult in this respect. The minister might be allowed to reply.

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, some comments I made recently indicated that by standard or orthodox measures the economy is at full potential when it is reaching for a 6 per cent real growth rate. I was pointing out that that was still an inadequate performance in the economy even though measured by those traditional terms it appears to be at full potential. I went on to indicate certain manpower policies—

Mr. Speaker: Order, please. The reply given by the minister confirms my original interpretation that this kind of question and this kind of reply give rise to academic debates about theoretical situations based on statements made outside the House. That is not the kind of question and answer which we ought to accept procedurally during the question period.

Mr. Stanfield: Mr. Speaker, I shall comply with your ruling and see if I can figure out some better way of getting at the minister's policies.

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MANPOWER

PRIOR NOTIFICATION TO DEPARTMENT OF SHUTTING DOWN OF NEWSPRINT MILL AT DALHOUSIE, N.B.— DISCUSSION WITH MANAGEMENT

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Acting Minister of Manpower and Immigration and I shall not tax his potential forecast. Was the minister's department informed of the intention of the International Paper Company to shut down its newsprint mill at Dalhousie, New Brunswick, for at least a week and possibly longer? Also, were there any discussions between the department and the management of the mill about the shutdown which will leave some 1,300 workers idle for some time?

Inquiries of the Ministry

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, I shall inquire and pass the information to the hon. gentleman.

Mr. Lewis: May I ask a supplementary question of the Minister of Public Works who, if I am not mistaken, is also the representative for the riding in which Dalhousie is found.

Some hon. Members: Order!

Mr. Speaker: Order, please. That is information which ought not to be included in the question because a question can be asked of the minister only in his capacity as a member of the ministry.

Mr. Lewis: May I ask the Minister of Public Works whether his attention was drawn some weeks ago to the likelihood of difficulties developing as a result of the ice in the port at Dalhousie? Also, did he take any steps to find the necessary icebreakers to open the port so that lay-offs of longshoremen as well as the lay-offs now contemplated at the mill would be avoided?

• (1450)

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes, Mr. Speaker. This matter was brought to my attention. I contacted the Minister of Transport at once and all available icebreakers are in the region—

Mr. Speaker: Order, please.

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[*Translation*]

AGRICULTURE

SUGGESTED AMENDMENT OF FARM PRODUCTS MARKETING AGENCIES ACT TO CONTROL IMPORTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the hon. Minister of Agriculture.

Since profitable production depends to a great extent on the volume of imports into Canada of certain farm products, and since Bill C-176 on marketing of farm products passed by Parliament in 1971 contains no provisions to influence or control imports of farm products into Canada, can the hon. minister tell us whether he intends to amend the legislation so that imported farm products may be channelled through provincial marketing boards in the same way as those produced locally?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I stated a number of times that any commodity that is imported will, of course, be subjected to the same rules and regulations as domestic production and distribution. I should advise the hon. member, referring to his comment about export markets, that in 1971 we had an all-time high record of agricultural products exported from Canada.

Inquiries of the Ministry

ROYAL CANADIAN MOUNTED POLICE

PROVISION OF OVERTIME PAY

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Solicitor General. It is the hardy perennial regarding overtime pay for members of the Royal Canadian Mounted Police. Is the answer yes, is it no, or it it still maybe?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): This is still under consideration, Mr. Speaker.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—ROLE OF MINISTER—POSSIBLE GOVERNMENT GUIDELINES FOR SETTLEMENT—COST TO TAXPAYERS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Secretary of State. I wish to ask the minister whether, during the labour difficulties involving NABET and the CBC, he has had any communication or consultation with the president of the CBC or his top officials pertaining to the strike and, in particular, whether he had anything to do with arranging the meeting that is to take place tomorrow, and whether the CBC is working within federal guidelines for the settlement of that dispute?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I indicated on a number of occasions in the House that the initiative and responsibility for the negotiations between the CBC management and the union involved rest with management. As to the so-called summit meeting that will take place tomorrow, I should like to be able to take credit for it, but I must leave that credit to the management of the CBC, which initiated the meeting.

[*English*]

Mr. Nowlan: I am glad that credit is going where credit is due. Be that as it may, will the minister consult with the president of the CBC after the meeting and, hopefully, come into the House on Wednesday, or whenever he will be here next, and report on the status of this continuing stalemate and, in particular, give details of what the cost has been to date to the Canadian taxpayer as a result of this continuing labour dispute?

[*Translation*]

Mr. Pelletier: Mr. Speaker, the other day I answered a question on this subject. In fact, I indicated that the CBC was actively seeking to evaluate the cost of the difficulties that have been going on for two months there and that these figures will be made public as soon as they will be available.

[Mr. Olson.]

[*English*]

DISPUTE WITH NABET—POSSIBLE LOSS OF AUDIENCES

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I have a supplementary question for the Secretary of State. Is the minister aware whether or not the CBC, in estimating the possible cost of this labour dispute, is considering the possible loss of audiences by CBC stations all across the country when they were just beginning to bring people back?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, this is another question, I think. I do want to consider it but as first formulated it dealt only with the financial cost.

* * *

• (1500)

[*English*]

FINANCE

PORTION OF EXCHANGE FUND HELD IN NON-TRANSFERABLE UNITED STATES SECURITIES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. As part of the price in 1968 Canada had to agree that a portion of its holdings of United States dollars in the foreign exchange fund would be in non-transferable or non-negotiable U.S. securities. Now that the foreign exchange holdings have reached a figure of well over $5 billion, would the minister advise what portion of that fund is held in non-transferable U.S. securities and give his estimate as to the position in which this puts the fund?

Mr. Speaker: Order, please. I have serious doubts about the question. It appears to me in any event that the question is rather technical. The hon. member is asking for very detailed information which ought normally to be sought by way of question on the order paper. Of course, the hon. member and the Minister of Finance know many things that the Speaker does not know. Maybe this is the kind of information that is at the fingertip of both the minister and the hon. member for Edmonton West. If so, I will withdraw my objection.

Mr. Lambert (Edmonton West): All joking aside, Mr. Speaker, this is one of the difficulties that faces the Canadian nation with regard to the present piling up of United States dollars. I am asking the minister a question that should have been apparent to him right away, unless he is not doing his job.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think the hon. member's additional comment tends to indicate that I was correct in my estimation.

AIR TRANSPORT

HIJACKING OF PLANES—SUGGESTED PROHIBITION OF PAYMENT OF RANSOM BY AIRLINES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Justice. In order to discourage potential hijackers for gain, is the government giving consideration, among other things, to bringing in as part of the de-incentive, if I can use that expression, a provision whereby no airline will be permitted to pay ransom? Similar discussions are taking place today in the United States, and it would appear to be a very effective way of dealing with prospective hijackers.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we certainly appreciate the right hon. member's expression of opinion. There is no immediate intention to introduce legislation along these lines. Of course, legislation dealing with the general subject is before the House at the present time.

Mr. Speaker: The hon. member for Yorkton-Melville.

Mr. McCleave: A supplementary question.

Mr. Speaker: The Chair will recognize the hon. member for Halifax-East Hants in a moment. The hon. member for Yorkton-Melville has been waiting for a while to ask his question.

[*Later:*]

Mr. Robert McCleave (Halifax-East Hants): My question to the Minister of Justice is supplementary to the question asked by the right hon. member for Prince Albert. Will the government consider the introduction of an amendment when the latest omnibus bill dealing with changes to the Criminal Code is in committee that would bring about the change that the right hon. member for Prince Albert is suggesting?

Mr. Lang: Mr. Speaker, in mentioning the legislation my intention was to draw specifically to the attention of hon. members the fact that we could have a discussion about this matter at that time, either in the House or in committee, and give full consideration to it. I certainly welcome the apparent understanding of members opposite that it is important to stand strong against hijackers whenever threats for ransom are made.

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AGRICULTURE

FARM MACHINERY—IMPLEMENTATION OF COMMISSION RECOMMENDATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the Minister of Agriculture. It is now several months since the Barber commission report on farm machinery was made public. In view of this, can the minister enlighten us as to what action he plans toward implementing some of its recommendations?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not think a reply to a question would be the way to give a detailed account on that. A number of actions have

been taken with some success along the lines of some of the recommendations of Dr. Barber.

Mr. Nystrom: In view of the fact farm machinery prices have increased drastically since the report, is the minister considering a further inquiry into the rapid rise of these prices?

Mr. Olson: Not at the moment, Mr. Speaker.

[*Translation*] * * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—EXTENSION OF LIMITS FOR PROJECTS

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I would like to put a question to the hon. Secretary of State.

Does the government intend to extend the application period under the Opportunities for Youth program?

[*English*]

Hon. Gerard Pelletier (Secretary of State): Unfortunately not, Mr. Speaker.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gibson: Why not?

* * *

[*English*]

CONSUMER AFFAIRS

FERTILIZER—ALLEGED PRICING PRACTICES OF CANADIAN MANUFACTURERS MAKING IT POSSIBLE TO BUY PRODUCT CHEAPER IN UNITED STATES

Mr. Cliff Downey (Battle River): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It arises out of the fact that once again fertilizer manufacturers in Canada are shipping their product to the United States at prices which enable it to be delivered by truck back from the Dakotas and Montana to the prairie region for some $20 a ton cheaper than western farmers can purchase it at the plant. Is the minister aware of this situation and, if so, can he give us some assurance that in future any Canadian distributor willing to purchase off-season fertilizer production will be quoted the same price as are buyers from other countries?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): I appreciate the hon. member's representation. I will look into the matter and see what can be done.

Inquiries of the Ministry

AGRICULTURE

BRUCELLOSIS TESTING OF CATTLE—ALLEGED LOSSES RESULTING FROM TIME OF TESTING—REQUEST FOR COMPENSATION

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to ask the Minister of Agriculture whether he or his department has received representations requesting amendments to the current regulations governing the administration of the brucellosis testing of cattle carried out under the auspices of the Department of Agriculture, bearing in mind that abnormal losses of cattle have occurred attributable directly to the administration of these tests in the early spring just prior to calving?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, but I will look into the matter and see whether any representations have been made to my office or to the department.

Mr. Mazankowski: Would the minister give us some assurance to the effect that these representations will be considered and that provision will be made to reimburse farmers and ranchers for the loss of their cattle in these circumstances?

Mr. Olson: I can give an assurance that these representations will be considered.

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MANPOWER

POSSIBLE NEW POLICIES TO COPE WITH UNEMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to address a question to the Acting Minister of Manpower and Immigration who has expressed the opinion that the economy is at its potential, while adding that we must not be satisfied with the situation—I suppose that was a reference to the amount of unemployment which exists. I should like to ask the minister whether he proposes to announce any new policy to attack unemployment and, if so, when we may expect such an announcement?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): The two main direct employment programs which have already been brought forward to cope with this particular dilemma in the Canadian economy are the special employment program in the winter and the opportunities for youth program in the summer. These are examples of what I had in mind. Further programs are being prepared now.

* * *

CONSUMER AFFAIRS

MARKETING OF IMPORTED AUTOMOBILES WITH YEAR OF MANUFACTURE UPDATED

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Can the minister tell us whether his department has concluded the inquiry which I understand it has been making into allegations by the Automobile Protective Association to the effect that certain imported cars are being marketed in Canada with their year of manufacture updated or misregistered? If the report has been completed, may I ask when it will be made public?

[Mr. Andras.]

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): I appreciate the fact that the hon. member sent me notice of this question the other day. The report on our investigations has been completed. It will be released later this week. It recommends that federal and provincial authorities exercise firmer control over the updating practices used by some automobile manufacturers and distributors. Regulations under the federal Motor Vehicle Safety Act, in effect since January 1, 1971, require that the actual month and year of manufacture be marked on a compliance plate affixed to the automobile. One problem, of course, is that provincial governments have authority over the actual registration of automobiles.

My department will investigate any cases of alleged misleading advertising in the area of year-dating of imported automobiles. It will also notify the Minister of Transport of any suspected cases of tampering with the compliance plate that may come to our attention.

Mr. Speaker: Orders of the day.

• (1510)

GOVERNMENT ORDERS

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT, 1972

AUTHORIZATION OF FISCAL PAYMENTS TO AND TAX COLLECTION AGREEMENTS WITH PROVINCES

Hon. John N. Turner (Minister of Finance) moved that Bill C-8 to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act, be read the third time and do pass.

Mr. Speaker: Is the House ready for the question? Shall the motion carry?

Some hon. Members: Agreed.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, have you called orders of the day?

Mr. Speaker: Exactly. Is the House ready for the question?

[*English*]

Order, please. There seems to be some confusion. Is the hon. member rising to speak to the motion?

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Does the hon. member for Bellechasse rise on the order now before us, i.e. the motion for third reading of Bill C-8?

Mr. Lambert (Bellechasse): Yes, Mr. Speaker.

[*English*]

Mr. Speaker: I believe there has been a misunderstanding. I do not think the hon. member for Bellechasse understood that we had proceeded to orders of the day. It might be unfair to the hon. member not to allow him to make his speech. Perhaps with the indulgence of the House I might be allowed to recognize the hon. member.

Some hon. Members: Agreed.

[*Translation*]

Mr. Speaker: I believe the hon. member should be allowed to make his speech. I was under the impression that he had not realized that we have reached the orders of the day, on the third reading of Bill C-8.

With permission of the House, the hon. member will be allowed to make his speech, after which the motion will be put. Does the House agree?

Some hon. Members: Agreed.

Mr. Lambert (Bellechasse): Mr. Speaker, first I wish to apologize. I usually follow attentively the business of the House but at the call of the orders of the day, I was consulting my colleagues and just at that moment you called the order for third reading of the bill.

I do thank the Chair and all my colleagues for giving me this opportunity of making comments on third reading of Bill C-8.

This bill is to authorize equalization payments to provinces, out of the Consolidated Revenue Fund, for the period from April 1, 1972 to March 31, 1977 and also to amend the Established Programs (Interim Arrangements) Act.

Mr. Speaker, the Canadian confederation has existed since 1867. It was on that year that our constitution was drafted and it has been the subject of discussion ever since. All governments, whatever the parties in power, in Ottawa as well as in Quebec, have accused one another of violating The British North America Act and, in most cases, it had to do with sections dealing with sources of revenue. Yet the Confederation charter clearly established the powers, jurisdictions and responsibilities of the different levels of government.

Section 91 for instance defines the powers and responsibilities of the Canadian Parliament. I do not need to recall here section 91 as it has been often quoted in this House and all Canadians should know about the constitution of their own country.

Section 92 defines the exclusive powers of provincial legislatures and section 93 gives every province the power to legislate in matters of education.

I should like to deal briefly with this aspect of section 92 providing for certain responsibilities and certain powers in the case of provincial legislatures.

Since 1867, the central administration has always shown a tendency to increase centralization in various fields and this, whatever the party in power. This tendency is quite natural because the Canadian Parliament is responsible for the whole Canadian territory and since it sees the problems at the national level it is natural for the central government to interfere from time to time in provincial fields of jurisdiction.

This centralization increased in wartime and mainly during the 1939-45 war—the war of which like most members I have been more specially aware—while in the name of Christendom and civilization the central government took over some sources of revenue which belonged exclusively to the provinces and which were to be handed back at the end of the war.

However, the war is over even though no formal order has been signed to this effect; it seems that after 26 years the war should be officially over and we should enter a new phase.

Mr. Speaker, it has been repeated for a long time throughout the country that Quebec is not a province like the others. Quebec is different and even though the right hon. Louis St. Laurent, a former Prime Minister, once said that Quebec was no different from the other provinces, both the Canadian constitution and the Confederation charter recognized a marked difference to the effect that Quebec because of its special character and of its French culture is not like the other provinces. The Fathers of Confederation, at that time, clearly stated that difference by giving exclusive power to the provinces so that the people of Lower Canada could pursue their emancipation and live according to traditions and rights which had been recognized till then.

One will remember, Mr. Speaker, that at every federal-provincial conference, the former premier of the province of Quebec, the hon. Maurice Duplessis, suggested it was unconstitutional for the central government to levy taxes for purposes that do not come under its jurisdiction.

One will also remember that other premiers said the same thing afterwards regardless of their political affiliation, precisely to protect this aspect of the constitution and to have the rights of the province of Quebec respected.

One will also remember that Mr. Duplessis, by having the Quebec legislature pass legislation setting up provincial income tax took very positive action to assert in an unequivocal way the rights of the province of Quebec. That happened in the fifties. One will remember that at that time, a very serious conflict opposed the then premier of the province of Quebec and the right hon. Louis St. Laurent.

Hon. members will also remember the famous meeting between those two men in a Montreal hotel to discuss this problem and will recall that Mr. Duplessis won this constitutional battle when at that time the central government accepted to gradually give back to the province of Quebec its rights in the field of income tax.

Admittedly that prime minister of Quebec rendered great services not only to his province but also to the whole country because he awakened public opinion to the basic problem of provincial revenue sources.

The bill we are now discussing indeed provides for the distribution in all parts of this country, of amounts of money collected by the federal government to allow poorer provinces to benefit from certain revenues they require to meet their obligations and responsibilities.

Mr. Speaker, a provincial government wanted to take advantage of the right to borrow against its credit, as provided under section 92 which granted that right to the provinces. In 1935 and the following years, the Alberta premier carried on a famous fight to enable his province, on the basis of the right granted under section 92, to achieve its purposes. It will also be remembered that throughout that period, the Prime Minister of Canada, the right hon. Mackenzie King, had said referring to the struggle of the Alberta premier:

> If Social Credit has an opportunity of showing its mettle, it is in Alberta. William Aberhart controls the province and if the Liberal party is re-elected, Mr. Aberhart will be free to put it into practice.

What happened? Later on, to explain his idea more specifically, Mr. Mackenzie King stated, at the opening of the 1935 election campaign:

> The Liberal party believes that credit is a public matter which does not concern bankers alone, but that it is of direct concern to the common citizen. The Liberal party is in favour of setting up immediately a national bank well structured to control the issue of money in terms of public needs. Capital flow should be related to the domestic, social and industrial needs of the Canadian people.

In 1935, Mr. Mackenzie King stated that a social credit government having just been elected in Alberta, the Liberal party, in an effort to get back into power, would do its utmost to allow the constitution to be respected and the province to free itself and manage its own affairs.

• (1520)

I should like to quote today a sentence from his speech in order that we may determine whether Bill C-8 follows the guidelines set by the founding fathers in all areas.

Mr. Mackenzie King spoke as follows:

> Once a nation loses control over its currency and its credit, it does not matter much who in that nation makes laws. Once in control, money lenders will ruin any country. As long as control over currency and credit has not been restored to the government and acknowledged as being its most obvious and most sacred responsibility, any talk of democracy and Parliament supremacy is vain and futile. If my party is re-elected, we will assert our monetary policy in the greatest battle between high finance and the people ever witnessed by Canada.

Subsequently, Mr. Speaker, Mr. Mackenzie King was elected by the Canadian people and had an opportunity of allowing the government of Alberta to take advantage of section 92 of our constitution.

This prompted Mr. Douglas, who devised credit at the service of the community, to state in a speech that he made on November 30, 1937, and I quote:

> A war has broken out in the western provinces of Canada: Alberta is the first battlefield. Given the issues involved, this war, whatever its outcome—and I believe with all my heart that we shall be victorious—carries implications reaching far beyond those of the war of 1914-18 or any other major conflict in history.

[Mr. Lambert (Bellechasse).]

> It has become easy for the least shrewd of observers to see that in Canada as elsewhere in Britain or the United States, so-called democratic governments are one-way streets. In other words, the bodies that we call governments have a right to exist, to be adorned with the emblems of power, up borne by wealth, supported or accepted by the press inasmuch as they put their power first to the service of international financial interests—

A mere glance at history reveals that the right hon. Mackenzie King, despite his promises, was devoted to international finance since he used legislation to prevent the province of Alberta from using its credit to its own benefit.

And two economists were invited to step in. They were Messrs. Powell and Byrne. We remember that these two men were prosecuted and jailed for having supported a thesis contrary to the one then recognized, in order to enable Alberta to enjoy its own credit. In fact, one of them said:

> This was real work of a democratic government. But the federal government, with financiers behind it, responded immediately. Less than one week after adoption of the three acts, there rose a storm which was unprecedented in the political history of the Dominion and the Prime Minister, the right hon. Mackenzie King, disavowed the three acts—

Mr. Speaker, I find it odd that hon. members are now accused of supporting theses or philosophies which do not make sense. The great leader, the god of the Liberals for years, did indeed support the theory that we are now advocating—that the credit of a nation should be at the service of this nation and minted by institutions belonging to this nation.

And if we refer to the answer given last week to a question appearing on the order paper, in which I asked information on several federal loans granted the province of Quebec over the last twelve months, we see that the loans, amounting to $65,900,000, carry an average interest rate of 7.4 per cent and are refundable over a period of 20 years. This money is available through taxes levied on the Canadian taxpayers.

I had a bank accountant make a calculation over the weekend in order to know the amount of interest the province of Quebec will have to pay, besides refunding the principal, and I got the figure of $97 million. In other words the province of Quebec will in turn have to tax Quebecers in order to get that amount of $97 million and pay interest to the federal government, although that government is empowered to provide the necessary credit to the nation through the Bank of Canada.

People find it funny when we speak about the Bank of Canada. They say that Creditistes think only in terms of the Bank of Canada and see in it the ultimate solution to all problems. Mr. Speaker, we are not providing a solution to all problems, but to those that must be solved by financial means. And hon. members will recall that in 1969, the Chamber of Commerce of the province of Quebec presented a brief to the federal government recommending the use of the Bank of Canada to help financing the public sector by means of loans to the provinces. In turn, the provinces could grant loans to the public bodies coming under their jurisdiction, that is the municipalities and school boards.

Mr. Speaker, people everywhere discuss financial questions, not only the Creditistes. However, I admit that we

are throwing more light over the matter than the other parties and, besides, that we do not stop there. People will sometimes say: Only the poor people support the Social Credit party. In fact, our supporters are not solely the poor people, but poor people who understand most readily since somebody who is made to understand through his wallet is liable to keep his ears wide open.

It is a long time since people have been suffering from insufficient incomes. Despite every and all government assistance programs, commissions and committees are being formed to inquire into the economic situation in Canada and submit reports. The Economic Council of Canada as well as the special Senate committee on poverty have tabled their reports in which they state that there is inequity in terms of distribution of wealth. If such inequity exists, the problem cannot be solved by hiding it, but by coming out into the open.

This is why I refer to those loans Quebec has obtained. I do not object to Quebec obtaining assistance, on the contrary. But if, instead of borrowing money to lend afterwards and hasten the process of in debtedness, we would use the services of the Bank of Canada to finance the public sector, to cash in on our credit in order to enjoy the outcome of our labor and that of all Canadians, then we would have been of service to the people at large.

Mr. Speaker, Quebec will have reimbursed in 20 years, $97 million in interests, excluding the initial loan of $65,-900,000, making a total of $163 million. This is a deadend situation. I am mentioning this example just to emphasize that if Bill C-8 might improve the situation, it does not deal with the heart of the matter. I appreciate these are provisionnal arrangements concluded for a limited period of time. I know all that, but the fact remains, however, that while we will be living through these temporary arrangements for five years, we should strive in this House to devise the effective means that are conducive to the development of all regions of the country.

There are now three provinces which are not entitled to equalization payments. Those three provinces have to give money to the others to contribute to their development. I understand that we live in a confederative system and that the federal government has a responsibility to distribute as equitably as possible the nation's wealth. But there can be differences of opinion on the means to an end, and I think that if we established as soon as possible an income security system, each Canadian citizen would be assured of a minimum income, which would allow provinces to levy taxes from their citizens and to administer themselves under their own powers.

This is how I see things, and for this reason I wanted to make my views known so that everybody would realize that we are in good faith, just as much as any other member, when we discuss those problems. Only, we want the population to be as well-informed as possible.

Mr. Speaker, we could of course go into a lengthy discussion on education, but we have to recognize that until we change the constitution, the provinces have jurisdiction in this matter. So let us leave to them their sources of revenue in order that they may carry out their responsibilities. If the federal government needs more money to govern Canada efficiently, plain common sense dictates that the solution we are proposing, which is certainly not perfect but is just as valid as any other, be considered.

• (1530)

[*English*]

Mr. Speaker: By unanimous consent the hon. member has been allowed to make his contribution, although the question had already been put. In order to follow the proper order, the question will be put again. It is moved by the Minister of Finance (Mr. Turner) that Bill C-8, to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the established programs (Interim Arrangements) Act, be read a third time.

Is it the pleasure of the House to adopt the said motion?

Motion agreed to and bill read the third time and passed.

* * *

INCOME TAX ACT

Hon. John N. Turner (Minister of Finance) moved that Bill C-169, to amend the Income Tax Act, be read the second time and referred to Committee of the Whole.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Mr. Lambert (Edmonton West): I rise on a point of order, Mr. Speaker. This motion, in its terms, is similar to or as a matter of fact identical with, one that was placed on the order paper in December of 1971 following the so-called mini-budget presented by the Minister of Finance on the night of October 14 during the adjournment proceedings of the House under Standing Order 26. There were two Notices of Motions of Ways and Means put forward on October 17. One only was proceeded with. The one presently before us appeared in *Votes and Proceedings* under date of February 22. Incidentally, and strangely enough, the entry under *Votes and Proceedings* does not indicate what type of motion or through which part the minister was trying to present the motion to the House. There was no indication whether it was being done under Standing Order 60 (1) or 41(2).

I notice, however, that in *Hansard* the appropriate wording has been put in the minister's mouth. The first point I wish to make is that the notice in *Votes and Proceedings* should be corrected. This was not done. Secondly, I would put to you that this is the first time we have had this sort of recurrence from one session of Parliament to another of a budgetary provision. I say "budgetary provision" in that it is a tax measure. There had been no prior consideration of this point because the new rules did not come in until prior to the 1970 session. So, we are in a position of *de nova*.

I want to ask Your Honour and all members, whether this method of proceeding was contemplated by the House when it adopted Standing Order 60. I suggest to you, Mr. Speaker, that this is an area which you have so felicitously described as one of those to which the committee on procedure should turn its attention. I would say

that upon a straight-forward reading of Standing Order 60(1) the Minister of Finance may introduce any and every tax change he may wish to bring in, whether it is to the Income Tax Act, whether it is to the Excise Tax Act, whether it is to the Customs Tariff or otherwise, and whether it is an increase or decrease.

Under Standing Order 60 (3), it is not obligatory for the Minister of Finance at any time to bring in a budget presentation. It is only in Standing Order 60 (3) that we get this reference to the budgetary presentation. Subject to political risk, there is no other provision in this House or in the statutes or regulations which binds the minister to bring in a budget. Yet resort now is being made to a Standing Order, or to a paragraph in the Standing Orders, which allows the minister to bring in any and every tax change he so desires. That is not what was in the contemplation of the committee and it is not what was contemplated by the House, I put to you, Sir. I will agree there is a political danger in not bringing in a budget and not having, shall we say, a financial report to the House and to the nation. Actually, I believe there was a mix-up in the sequence of the paragraphs in Standing Order 60. There was obviously discussion at the time and I confess I was a member of that committee. This point did not occur to me at that time, however, nor to the others but it certainly does now and I want to raise it so that we might reconsider it.

It was always thought by the committee and the House that our previous procedure was cumbersome in that we had a budgetary presentation, the Minister of Finance then tabled notices of motion with regard to the budgetary changes. There was then a resolution in committee of the whole with regard to each of the said motions. Then, we had a bill; there was second reading and then in the committee of the whole stage the bill was considered clause by clause. Finally, there was third reading. This was adjudged to be very cumbersome. Since the motions that were tabled by the Minister of Finance at the time of the budgetary presentation were discussed during the budget debate, these represented in part the subject matter of the budget debate. They receive full discussion. They were the budgetary proposals.

If one reads the wording of paragraph 60 (3), the House is asked to give general approval to the budgetary proposals. It was then determined that it would not be necessary to go through the preliminaries of the recommendation which was the usual prior practice. It was foreseen that the minister would merely lay on the table a Notice of Ways and Means Motion in accordance with what he proposed in the budget. But now, as I have said, there is no requirement for a budget and we have come to this procedure. It is wrong in spirit. But we are not on a budgetary proposal today. This means that the Minister of Finance is able to raise his taxes up or down without any budgetary accounting. There is no need for a budget aside from, as I said, the political risk. I repeat that this is quite wrong.

• (1540)

The third point I want to make relates to the carry over from one session of parliament to another of a tax measure that has been proposed in the former session. Let us consider what might happen if one interprets this rule in this way. Suppose this tax measure were not proceeded with at this time and that there should intervene an election—and God forbid the same administration would be elected, particularly this one—the first thing that the new parliament could be faced with, without notice, could be the notice of ways and means motion that had been presented by the previous administration, without any accounting whatsoever. I say this is wrong, Mr. Speaker. This is not a hypothetical case, it is a true and very regrettable fact that the framing of Standing Order 60 in its present terms failed to take into account this possibility. While I will agree that one does not require the intermediate steps for all other motions that may be presented following the presentation of a budget, it certainly is not within the contemplation of this House, and never was, that tax measures should be dropped straight out of the blue on to the order paper and presented that way without the recommendation of His Excellency.

[Mr. Lambert (Edmonton West).]

Mr. Turner (Ottawa-Carleton): Mr. Speaker, as I understand the hon. member for Edmonton West (Mr. Lambert), his point of order really does not go to the admissibility of the present bill but is an invitation to the House through you, Sir, and to the appropriate committee to re-examine Standing Order 60. I submit to Your Honour the hon. member has admitted that it is possible to bring in a bill affecting the ways and means of the House and of the country without going through the formality of a budget. It is clear that Standing Order 60 (1) applies to a notice of ways and means in general terms and that Standing Order 60 (3) refers to a special type of order affecting ways and means, namely an order designated for the purpose of enabling a minister of the Crown to make a budget presentation in other words, a general notice of motion is contemplated under ways and means and in addition a special type of such motion called a budgetary presentation. So, I think the hon. member has conceded that it is possible to bring in the tax bill affecting ways and means whether or not it is preceded by a budget, subject of course to what he has recognized as the necessary political considerations and the necessary accounting aspects via a minister of finance through the House to the people of the country.

This bill follows upon a statement made last October 14 by the then minister of finance during the course of an opposition day which set forth a declaration of a cut in corporate income tax of 7 per cent and a cut in personal income tax of 3 per cent, both of those cuts to apply from July 1, 1971 to December 31, 1972. The first part of those cuts was implemented by this parliament in the last session under Bill C-275 which received royal sanction on December 23. That bill authorized the cuts until the end of the 1971 calendar year. This bill extends those same cuts, already announced by the minister of finance last October 14, to the end of the year 1972. In other words, the minister of finance of the day announced the cuts. They had to be authorized by legislation, and that is the purpose of the bill before the House. The country has received adequate notice of these cuts, and I assume that the accounting procedures of the Department of National Revenue are being made in anticipation of it.

I will say no more except to say that a re-examination of Standing Order 60 may be something for the House to

consider in due course, but in the terms of the present bill there is nothing in Standing Order 60 to impede its progress.

Mr. Lambert (Edmonton West): Mr. Speaker—

Mr. Speaker: The hon. member has already spoken on the point of order. We could go on for a long time if the hon. member for Edmonton West were to reply to the minister. I believe the hon. member for Winnipeg North Centre wishes to contribute to the procedural argument.

Mr. Knowles (Winnipeg North Centre): Thank you, Mr. Speaker. I shall speak very briefly on the point. I think it is salutary for a member like the hon. member for Edmonton West to raise the point every once in a while—and I have heard him raise it before—that advantage should not be taken of the rules to the extent of bringing in budgetary changes very often without a budget presentation. I believe that is the point he was trying to make. He underlined the point, of course, that it would be politically rather stupid for a government to go any length of time without a budget presentation. I must, however, say to my good friend who sits close to me that I do not share the same anxiety that he has expressed about Standing Order 60.

I ask you, Sir, and I ask him to look at this. Standing Order 60 is made up of 11 different paragraphs. I ask you also to note that Standing Order 61, which has only one paragraph, also relates to the question of ways and means. I admit that I am playing a little numbers game here, but let me do it. This means that there are 12 items or paragraphs in the rule book regarding ways and means, 11 paragraphs of Standing Order 60 plus the one paragraph that makes up Standing Order 61. Of those 12 paragraphs, one, namely Standing Order 60 (2), is general in nature in that it provides for the designation of an order of the day for considering a ways and means motion. The other 11 fall this way: two of them, Standing Order 60 (1) and Standing Order 60 (11) under which it is possible for a minister of finance to make a tax change without a budget presentation, and the other nine; in other words, the other eight paragraphs as well as Standing Order 61, relate to the machinery for a budget presentation.

So I suggest to you, Sir, that if we drew 12 paragraphs having to do with ways and means and we applied nine of them to the process that involves a budget presentation—the speech and the six day debate—we made it pretty clear that that is what we expect to be the normal practice. I suggest that if any government went any length of time trying to rely on Standing Order 60 (1) and (11) to avoid a budget speech, the government would lose all the time it gained by the time the point of order was debated.

• (1550)

As I already said, I think that this is a useful viewpoint to be raised. Governments have to be reminded of what they ought to do. But I do not think that Standing Order 60 and Standing Order 61 are all that deficient. They make it possible for a change such as is proposed today to be undertaken without a six day budget debate, but the rules make it pretty clear that it is the intention of parliament that at least once a year there will be a full dress six-day debate on a budget presentation.

Mr. Speaker: Order. I do not think the hon. members would want me to go into detailed references on the interesting point of order raised by the hon. member for Edmonton West (Mr. Lambert). The point he is making, I think, has been explained, and is supported to some extent by the hon. member for Winnipeg North Centre (Mr. Knowles).

While the hon. member for Edmonton West was speaking, there was a thought going through my mind that perhaps he was not entirely right when he suggested that under the old rules there was a procedural requirement that there be a budget presentation. According to the advice or information that I have, there has never been such a requirement in the rules. There has been a practice, under the old rules, that there be a budget presentation, but there was nothing in the Standing Orders, as they existed then, requiring that a budget presentation be made.

With respect to the hon. member's suggestion that it is a new procedure to have a ways and means bill which is based on a presentation of a budget in a previous session, it has been brought to my attention that perhaps this has been done before, more particularly in the year 1962, where the index has a reference to a budget resolution passed in a previous session. This, in itself, is an indication that even in the year 1962 this procedure was followed. It has also been brought to my attention that there was a ruling by then Mr. Speaker Lambert, which is reported at page 133 of the *Journals* for 1962, regarding whether or not ways and means legislation should be preceded by a budget presentation. I am sure the hon. member remembers the circumstances very well.

The only motion under the old rules was one to the effect that Mr. Speaker do leave the Chair. On those occasions, no one knew whether or not there would be a budget presentation. That was the point which the hon. member for Edmonton West, in his then capacity as Speaker of the House, made.

Mr. Turner (Ottawa-Carleton): It is a very good precedent.

Mr. Speaker: He was perfectly right, and I agree with him.

Mr. Lambert (Edmonton West): But there is a great distinction.

Mr. Speaker: Order, please.

Mr. Lambert (Edmonton West): There is a very great distinction.

Mr. Speaker: I do not want to get involved in debate with the hon. member. I agree with the ruling which he made at that time, and I say that although the rules have been changed since then the principle continues the same, and there is still no procedural requirement for a budget presentation. There was no procedural requirement then for a bill implementing the ways and means resolution to be based on a budget presentation.

I appreciate the point made by the hon. member for Edmonton West. It is the kind of difficulty which perhaps results from the drafting of the new rules as they are before us now. The hon. member for Edmonton West, and his distinguished colleague, the hon. member for Winnipeg North Centre, are leading members of the committee on procedure, and they do from time to time consider some of these difficulties. This is one of the difficulties which they might like to look into some day.

Having said this, I would think that I would have to rule that the bill is now before us correctly from a procedural standpoint.

Mr. Lambert (Edmonton West): I never queried that.

Hon. P. M. Mahoney (Minister of State): Mr. Speaker, this second reading speech has perhaps become somewhat redundant in view of the point of order. However, I think it would be well to summarize the reasons we are dealing with Bill C-169 today.

This bill completes the implementation of the following measures which were announced by the former minister of finance on October 14, 1971: a 7 per cent reduction in corporation income tax for the period from July 1, 1971, to December 31, 1972 and a 3 per cent reduction in individual income tax for the same period.

The reductions in tax for the last half of 1971 were implemented during the last session by Bill C-275, which received Royal Assent on December 23, 1971. The present bill implements the reductions for 1972. The reason it was necessary to split the particular budgetary presentation was that at that time we were going through a major tax reform bill, and Bill C-275, if I can use less than precise language, amended the old Income Tax Act that was in effect until December 31 last year.

The major tax reform bill that was before the House last year, Bill C-259, effected numerous changes in the income tax law, including a major re-organization of the act and a major renumbering of sections, so it was necessary that that bill be passed or dealt with by parliament before a further amending bill, covering these tax reductions for the current calendar year, was introduced. Accordingly, what would normally have been presented in one bill was necessarily split into two.

The 7 per cent corporate tax reduction has been designed to give Canadian corporations greater flexibility in responding to the challenges that have confronted them in recent months, and to encourage them to contribute to a sustained growth in job opportunities. It will help their competitive positions in both domestic and international markets.

The 3 per cent individual tax reduction will also provide an important stimulus to the private sector by sustaining and encouraging increased demand for goods and services.

These measures have already contributed in an important way, along with other expansionary measures inaugurated by the government during the past two years, to the present accelerating improvement in the performance of our economy.

As stated by the Minister of Finance on October 14, 1971, it is estimated that the corporate tax cut will reduce federal revenues by $160 million for the fiscal year 1971-72 and $175 million for the fiscal year 1972-73. The cut in personal taxes is expected to reduce federal revenues by $125 million in the fiscal year 1971-72, and by $225 million in the fiscal year 1972-73.

[Mr. Speaker.]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I trust this will not be deemed a comparison of oranges and apples. As I said earlier, we are dealing with a bill arising out of a motion originally presented by the then minister of finance on October 14, 1971.

As the Leader of the Opposition (Mr. Stanfield) indicated during the course of the debate on that occasion, after listening to the great applause that emanated from the government benches in response to the speech by the minister of finance, greeting it as though he were announcing something entirely new and fine, as though he were the Savior coming to the rescue of Canada, one was reminded of the very loud applause that had accompanied his disclosures in his June budget. His October 14 measures in effect were a frank and, I would say, humbling admission that he was totally wrong in June.

So, we had this rather interesting spectacle of a claque applauding any statement by the minister, even one saying in effect, "In June I was an ass; now, I am going to try to take myself out of the mess into which I got the country at that time." As a matter of fact, there could have been further proposals by the new Minister of Finance, setting aside the proposals put forward by his predecessor in October, in many ways contradicting the October proposals, and we could have had the same claque applauding from the government side. I would say that argument endorses my contention that the House rule, as it now stands, is wrong in philosophy.

• (1600)

An hon. Member: Right!

Mr. Lambert (Edmonton West): Without reference to it in the presentation, the Minister of Finance tables a notice regarding a tax increase or tax cut; he does not proceed with it and he gets the chop for too severe postures. This has happened before, it can happen again and likely it did in this case. The pressure was relieved by putting a new man at the helm. I can see the strategy of the Prime Minister (Mr. Trudeau) and time tends to block memories.

If one were to ask members of this House, and certainly members of the press, what the circumstances were behind this particular change in the Income Tax Act, most of them would have no answer. They would have to go scurrying back to the record, but they would never get the atmosphere in the House. The presentation of this motion today and of the bill is totally anti-climatic. It is there; what are we going to do about it? That is precisely what we intend to say; what is there to get so excited about? A tax cut of 3 per cent is being applied to personal income in the 1972 tax year. That is what is going to happen now. For those people with low income who pay no tax, this is no cut at all, but it certainly has some effect on those people at the middle income level.

What is the purpose of it? Is it to regenerate expenditures from the people at the middle income level? I have not noticed that there is such a glut of commodities. There

has been an underutilization of certain types of service, and certain commodities, but this tax cut will not provide that meaningful shot in the arm for Canadian industry.

Let us look at the taxpayer and his personal income. Certainly, he buys Canadian services and to the extent that he increases his purchase of imports, we bring in more imports. How much does that stimulate the Canadian economy? How does that necessarily cure the economic recession in the United States from which we get two-thirds of our imports? How does that help them? Our imports represent a small portion of their total economy, but they buy two-thirds of our exports; they gain. Our exports do not represent two-thirds of their requirements. They loom large for us, but, mean very little to them.

The total effect of this personal income tax cut is a very small shot in the arm but everybody will welcome it. The provinces are not going to be affected by it because the then minister of finance indicated that the federal treasury would absorb it entirely. I would refer hon. members to page 8690 of last year's *Hansard.*

I believe, Mr. Speaker, this proposal of a cut of 3 per cent of the tax payable again points up the difficulties of having an income tax system set up on the basis of an across the board personal exemption. I think the Minister of Finance would have preferred to give tax relief to lower income groups since they represent the greater number of taxpayers in Canada. To the old age pensioner, to the person who makes insufficient money to pay income tax, and there are many, this tax cut is meaningless. Unfortunately, however, the old age pensioner and the low wage earner are caught by inflation in the same way that the person earning $25,000, $35,000 or $15,000 a year is caught. The increase in the price of food, the increase in the level of rents, of laundry, of this and that applies just as much to the old age pensioner and the low income earner to the extent that they make those purchases. Since they have to concentrate on food, shelter and clothing, they have all been hit hard by inflation.

I think it is callous and cold-hearted to say that our inflation, at 5 per cent or perhaps not 5 per cent, was lower than in any other country in the western world. What does that mean as far as the Canadian taxpayer is concerned? What comfort is it to him that, say, Holland, has 8 per cent inflation or that it went to 10 per cent in Great Britain? The point is that the person on a low fixed income, such as many retired people, is not affected by that change in that foreign country. It is what happens right here in Canada that affects him. That 5 per cent sounds very good but with the cost of living index now in the mid-130's it means 6½ points. In other words, the 1961 dollar has depreciated by some 37½ points. The percentage depends upon whether you are at the upper or lower end of the scale; the higher the cost of living index goes the lower is the percentage and that looks good.

Information Canada can do jobs for Statistics Canada. I wish Statistics Canada would "level" with the people. Instead of using percentage points to indicate the cost of living, it refers to just so many points. One time you see an apple being juggled and the next time you see an orange being juggled by whoever wants to play with them when dealing with percentages as they relate to the cost of living. It would have been far preferable to have had a tax credit system. The whole system could have been much more flexible and tax cuts could have been made where they would have been more meaningful in giving tax relief.

• (1610)

Let me turn to the corporate tax credit. Frankly, anyone who is incorporated, whether he is a small plasterer, paperhanger, painter, truckdriver or cement finisher, is involved in corporate income tax. It is not the big companies exclusively that are affected, but anyone with the letters "Ltd." after the name of his business. There will be a 7 per cent cut on the 1972 income tax payable. I do not think that is sufficient to be meaningful.

I do not think an 18 month tax cut for incorporated businesses is a sufficient stimulus for them to enter into long-range programs. For many people, it effectively provides walking-around money. It is a small measure, not sufficient to provide the necessary initiative or incentive to enter into an expansionary program. Why should it be? The government talks about how many millions of dollars it is going to cost, but it will only last 18 months. In many instances, programs must be of a longer term.

After January 1, 1973, corporations will again be in business at the old tax levels. I think it is absolutely fool-hardy to ask any business to enter into a program of activity. Should they purchase additional inventory, instal new machinery which will have to be paid for over a longer period of time or expand their premises, something which will also have to be paid for over a longer period of time? Should they hire new workers when they will have to fire them in 1973? As I said, on January 1, 1973 we will be back at the pre-cut tax levels. What happens? Perhaps, we will be exhorted to get down on our knees and pray for some miracle to happen, always hoping that we will get over the election. You can bet your bottom dollar we will have an election before January 1, 1973. This is a clear indicator that we will have an election before January 1, 1973. After January 1, we go back to the upper levels of tax.

As I said before, it is anticlimatic to discuss these proposals. This tax cut by the government is not sufficient to promote a really meaningful stimulus. After all, if one looks at the experience in Great Britain in the past two years, he would see they have injected two modest taxcuts into the economy, but they have not had the necessary effect. This week we read that the Chancellor of the Exchequer is likely to introduce some very extensive tax cuts. It may be a question of judgment, but the British Government is the best judge. I am not going to judge and I am not going to put the question. Perhaps it would have been better if they had brought in massive tax cuts at the beginning to get the economy going. At the moment, the treasury has been bled and nothing of consequence has been done. One has to go back on these matters. The effort has to be redoubled every time, even though nothing has been gained. I do not think that is the way one has to work to expand an economy.

As far as we in the official opposition are concerned, we are not going to oppose these measures. They are fine as far as they go. I think they were a humiliating admission, in the light of all those things that had been done in the

June budget and all those restrictions that had been proposed before that. Just a few months previous, the government had been imposing a surtax. In fact, this proposal represents an absolute condemnation of earlier acting out of the mouth of the ministry. A year before, the surtax had been added because it was needed. In June, it was dropped. The minister had this to say:

This change, combined with the elimination of the 3 per cent surtax, brings the effective reduction of corporation taxes from last July 1 to 10 per cent.

Isn't that setting up a beautiful Aunt Sally for nothing? In December, 1970, it was absolutely paramount to come in with a last minute budget to continue the dying 3 per cent surtax. Then, with a great fanfare, the surtax was removed in July, 1971. Why had it been put on in the first place? The economy was suffering just as much in December, 1970 when it was imposed. It was done so that the government could say "Well, we have now taken off a further 3 per cent; what good boys we are. We have taken 6 per cent off the tax payable on personal income tax since July 1." When you look at the June budget statement of the former Minister of Finance, it is replete with all the good things the government has done and how the economy is expanding. No wonder they had to make a change in the portfolio of the Minister of Finance. The former minister had lost any and all credibility as a result of the statements he made in October. Now, the present Minister of Finance (Mr. Turner) has to take charge of implementing this tax cut.

I am very interested in knowing when we are going to get the next budget presentation. Will it be before the Prime Minister (Mr. Trudeau) calls upon His Excellency? Are we going to get a budget presentation so that we will know that the budgetary deficit, as far as I can see at the moment, will be about $1,200 million this year? Are we going to get an explanation of that? We must remember that it is the Canadian taxpayer who has to pay every blessed cent of those expenditures, which this year are up to $18 billion. They wonder why the Canadian economy is suffering and creaking. In many instances it is not worth the candle to go off and do anything, because the tax will be so high. You will lose whatever you have made to somebody else, to somebody standing with a handout. The philosophy of the government has been to encourage the Canadian people to line up to receive handouts.

• (1620)

One hears people say the government should do this, the government should do that, the government should pay this, the government should pay that. How is this money raised except through taxation, taxation today and taxation tomorrow? All the more unjust is the taxation of those who have put money aside and saved it in various ways, for example, by joining pension plans. One has only to look at the Canada Pension Plan in the light of the increase in the cost of living to judge whether that plan is as good today, as it was when it was instituted. It is true that small increases to reflect the cost of living are embodied in escalator clauses. Benefits have increased. But the contributions payable have increased still more.

The same thing has happened with unemployment insurance. Benefits are increased. But the contributions go up, too. What happens when employers try to hire people? Why should people work? The difference between wages paid on so many jobs and the amount they can get from other sources is marginal.

[Mr. Lambert (Edmonton West).]

Mr. Béchard: Surely, the hon. member is not serious when he says that.

Mr. Lambert (Edmonton West): The hon. member says this is not serious. Let him come to my home city of Edmonton and I will show him.

Mr. Béchard: I was suggesting the hon. member was not serious in saying such a thing.

Mr. Lambert (Edmonton West): Serious? Ask any entrepreneur, ask anyone in the trucking business or in warehousing. They will tell you: try to get men nowadays. In so many instances, the Department of Manpower tells people to go and collect unemployment insurance benefits. I have personally heard men say: Why should we put ourselves in jeopardy by placing ourselves in jobs which will pay $150 and have to work—

Mr. Béchard: Is that the advice you give them?

Mr. Lambert (Edmonton West): That is the wrong kind of advice.

Mr. Béchard: That is why I say the hon. member is not serious.

Mr. Lambert (Edmonton West): I say this is the sort of mentality which the government is building up all the way through. This is the reason the Canadian economy is not doing well. People have forgotten how to work. Unless we do something to increase our productivity rate and reduce cost of production per unit, we shall find our overseas markets decreasing sharply as the days go by.

The parliamentary secretary knows the situation in the pulp and paper industry. As a result of the increase in the cost of production which, for a multiplicity of reasons, has taken place, many of our markets have been lost. It has meant that along with the effect of the floating dollar, we are simply outbid. It looks good to pile our goods in warehouses and congratulate ourselves on our ability to manufacture all these things. But it is the price that matters. Every year, sales decline. How many pulp or paper mills have been forced to close down or continue on a greatly reduced scale?

Look at the state of our heavy chemical industry, another example. Unless we can sell these commodities and services we are going through an exercise in frustration; we are raking leaves, and there is no government program, no form of baling out, which will do the country any real good until we make up our minds to counter inflation by reducing the unit cost of production, and become more competitive. Unless we do this, we are simply fooling ourselves.

I want to see tax changes which will provide a meaningful incentive to bring about an increase in production at lower cost in order that we may become more competitive. As Canadian productivity increases, we shall need to place less reliance on imports. Attention is called to great increases in Canadian exports at the present time. But consider the statistics relating to imports. Imports are

increasing at a faster rate. Incidentally, I have not heard so much crowing about last year's performance in the export market. It is a tough world we live in. All too often we see some little glimmer of light, a little wee candle somewhere on the horizon, and somebody suddenly blows it up into a great, powerful searchlight totally out of proportion to what is should be.

I hope hon. members will make their contributions to the debate today or during the committee stage. This bill, now embodying in legislative form a proposal which was discussed at great length back in October, at which time its deficiencies were well established, has now been before us for a long time and it would be anti-climactic to keep on arguing about it. Some people will find it of benefit. People who are non-taxable will not. I doubt very much whether the effect of the tax cuts will be of very great value to industry and the services. In total, the cuts are there, of course, but they become dispersed and, unfortunately, they cease on January 1, 1973.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the tax bill which is before us this afternoon is essential to the effectiveness of the measure we passed just before Christmas in relation to the same fiscal year. With the consistency for which the government is well noted, evidence is given of the same approach to economic planning both from the point of view of financial justice and from the point of view of monetary tax incentives intended to provide employment.

I wish to avoid further rhetoric and to deal, in terms of substance, with the assertions I have made in my comments up to this point. I shall be relatively brief, because I intend to speak again during the committee stage, at which time I shall be proposing an amendment.

• (1630)

The tax cut on personal income, will have the effect of reducing tax revenue to the government by about $225 million. It is hard to imagine a more unjust way of distributing economic benefits to the committee than an across the board tax reduction of 3 per cent in the personal income tax field. I suppose that if a more unjust way could have been found the present government would have discovered it, so I think it is reasonable to conclude that this is the worst possible method the government could come up with.

For example, consider the effects of this tax cut on a married man with two children in the $4,000 income category; in other words, someone living at the poverty level in Canada. It means that he will save $2.19. A man earning $5,000 a year, again with two dependent children, will be able to save a grand total of $9.06. Spread over the course of a year this means that he will probably save enough to buy an ice cream cone every week. If a person were in the high income category of $6,000 a year, with the same number of dependants he would save a grand total of $16.59. This is what we get from a magnanimous government, a government led by the Prime Minister (Mr. Trudeau) who a couple of weeks ago in Victoriaville, Quebec, stated that we were moving to a new age of leisure and should not be too concerned about unemployment; that since a whole new ethic was emerging we should be more concerned to establish other kinds of creative outlets for our people.

The fact is, of course, that some 20 per cent of the population are living at or below the poverty line in Canada; that for each job available in Canada there are roughly 17 people to pursue it. This kind of nonsense coming from the Prime Minister is something that is, to anyone with the remotest degree of sensitivity, at least displeasurable, if I may understate it somewhat. If our quaint Prime Minister wanted to do something to help people at that income level, those living at or below the poverty line, it seems to me that the tax cut measure before the House should have been changed substantially so as to provide, on the ground of equity, some real benefit for those in the low income category, forgetting entirely the provision of any tax benefit for upper income Canadians. The government should make sure that all the gains are made at the bottom end of the income ladder.

Keeping in mind that as a result of this bill the $4,000 income earner with two dependants will save $2.19, a man earning $20,000 will save $164.58. A man earning $50,000 a year, the man who most likely will be a contributor to and supporter of the Liberal party of Canada, will save $620.75.

Mr. Whelan: You mean, people like Pierre Berton? He supports your group and gets $100,000 a year for doing nothing.

Mr. Broadbent: The hon. member for Windsor obviously has a profound contribution to make. Would he like to say a few words?

Mr. Deputy Speaker: Order, please. The hon. member would have to be in his own seat. The hon. member for Oshawa-Whitby has the floor.

Mr. Broadbent: If I may continue, Mr. Speaker, what about the poor individual who is ekeing out an existence on $100,000 a year, a man again very dear to the heart of the Liberal government? He will save under this tax proposal $1,515.39. He is the sort of man who attends $100 a plate dinners given by the Liberal party. I am not being frivolous, but the fact is that under these tax proposals a man living at the poverty level will save $2.19 whereas a man who is virtually in the millionaire category will save $1,515.39.

It requires no economic genius to do the kind of statistical breakdown that I have done here. This is the kind of maldistribution of tax benefit that you invariably get when you have an across the board tax reduction, in this case of 3 per cent. Inevitably with a fixed deduction across the board the rich or upper income groups will be more advantageously affected than the poor, and this is just the kind of thing that we should not have at this time in Canada. So, I suggest that on the basis of equity this proposal is totally unacceptable. On the other hand, some of our friends opposite like to argue that you cannot simply consider equity or fairness in making a tax proposal; you also have to consider the effect on the economy in terms of the generation of employment, and so on. That is a very sensible point. However, when you consider the impact of this proposal on the economy, it seems to me that the same negative conclusion is also inevitable.

The kind of injection of funds into the economy that is needed at this time, and which in fact has been needed for a long time, is much more effectively brought into being by reducing income tax at the average and below average income levels. I say that for the following, rather obvious, reasons, though perhaps not. Upper income earners, the middle class Canadians earning $15,000 or $20,000 and up, rather than spending this kind of tax deduction and injecting the money into the economy, therefore increasing demand and the likelihood of investment funds creating new job opportunities, are inclined simply to save it. They salt it away. By making sure that any tax benefit goes to the average or below average income earner, you give much more economic stimulus to the economy. This, in turn, leads to demand for more goods and services which results in increasing pressure to create more jobs. Therefore, on that ground as well I think this measure is subject to severe criticism. We should not make across-the-board tax reductions if the intention is to generate employment. The kind of tax reduction we need is selective in nature and should favour the average or below average income earner.

I should now like to say a few words about the corporate tax reduction. If the personal income tax reduction is open to serious criticism, then it is hard to know what kind of language to use with regard to the across the board 7 per cent tax reduction in the corporate sector. In my view it is sheer economic lunacy to offer this kind of across-the-board tax reduction to the corporate sector. A similar measure was brought in before Christmas, in the previous fiscal year. The point I made then and repeat now, since we are dealing with a similar kind of measure for the coming fiscal year, is that a 7 per cent tax reduction for the corporate sector across-the-board will simply give many, many corporations windfall profits, and that is all. Such reduction will not bring about greater investment. It will not mean that a higher percentage of corporate funds will be available for the creation of new jobs. There is no necessary connection between the tax reduction and the creation of new jobs.

• (1640)

If the government had really wanted the tax reduction for the corporate sector to lead to the creation of more jobs in the economy, it should have attached the creation of such jobs as a rider, if you will to such reduction. For instance, the government could have said to the corporations of Canada, "If you can show at the end of the current fiscal year that you have expanded your operation and employed more Canadians, you will be entitled to a 7 per cent tax reduction." Of course, there would need to be a certain minimum percentage increase in employment. If the government had said that, it would have made good economic sense. It would have been wise to say that to corporations. As I say, the government should have said, "If you expand your operation and employ more people, we will offer you a 7 per cent tax reduction in the current fiscal year." However, the government did not do that. It simply brought down an across-the-board 7 per cent tax reduction, which will simply enable many companies to increase their profits or profit margins. The increase will not be exactly 7 per cent; however, it will be substantial. That is unjust. Reducing taxes across-the-board for the corporate sector will not necessarily create more jobs.

Similarly, if the government had wanted to use a tax reduction as a means for creating more jobs, that reduction ought to have been applied to certain sectors of the economy. The government ought to have asked itself, "Which sector of the economy is most likely to employ more people?" It seems to me that of the three categories, namely, the service industry, manufacturing industry and resource industry, one category ought to have been excluded as a job producing category, that being the resource sector of the economy.

Mr. Saltsman: The resource sector has already been given substantial tax concessions.

Mr. Broadbent: As the hon. member for Waterloo (Mr. Saltsman) says, tax concessions given to the resource sector are totally disproportionate to the service that sector renders to the Canadian economy, as pointed out by the hon. member for Duvernay (Mr. Kierans) who is a specialist in this field and who in recent weeks and months has voiced criticisms to this effect. The effective rate of tax that the resource sector of the Canadian economy pays is equal to about 50 per cent of the rate that the manufacturing sector pays. It is important to remember that, in terms of jobs, the resource sector employs very few people per dollar invested, as compared with the manufacturing and service sectors.

May I cite an example that I used on another occasion in the House last week? You may spend $1 million or many millions of dollars putting an oil well or oil pump on the land. All it will do is go "gurgle, gurgle, gurgle" and out will come the oil, and in will go the money to the pockets of investors. Very few jobs, indeed, will accrue from that kind of investment.

An hon. Member: Most of the money will go to foreigners.

Mr. Broadbent: That goes without saying. Since the petroleum industry is about 98 per cent foreign owned, the money will leave the country. That is not the point here. I contend that instead of reducing taxes for the service sector, the manufacturing sector and the resource sector indiscriminately, we should have reduced taxes only for the manufacturing and service sectors. We ought to have said to those sectors of the economy, "You are being over-taxed vis-à-vis the resource industry and you employ more people per dollar invested than the resource sector; therefore, we will load the financial incentive, if you like, in your direction. We will provide you with financial benefits in the hope that more jobs will be created." Again, the government did not make this kind of economically sensible discriminatory decision. Instead, it offered an across-the-board tax reduction to the entire corporate sector.

I have said almost everything I wanted to say on those two points. I think the proposals for taxing personal incomes need significant revision, and I will be moving an amendment during the committee stage in this area in order to provide both some equity and some stimulus for the economy. Secondly, I think we need a change in the structure of corporate taxation in order to make those

taxes directly relevant to industries which provide more jobs, and only to those kinds of industries. We will probably be moving an amendment in that area, as well.

While talking about taxes, I cannot sit down without taking a parting shot at the government. I am talking about its general tax policy, and particularly as that affects average people in contrast to the way it affects upper-income people. In recent weeks, many men and women in my constituency have come to me and pointed out that when they collect unemployment insurance and SUB benefits—and I am glad to see the hon. member for Windsor sitting opposite me; he knows this very well and I will welcome his comments on the matter later—they are now not so well off as before. For the first time in Canada's history UIC benefits are being taxed. Therefore, these people are less well off under the new system than they were under the system which preceded it. In this area, instead of there being reform, there is regression. I hasten to add that our party does not oppose, in principle, the notion of taxing income, whatever the source. What we oppose, and this is the important part, is the taxing at this time of unemployment insurance benefits by a government which taxes only one-half of capital gains.

This government has brought in a capital gains tax. Instead of taxing the full amount of the gain, it taxes only half the gain. That is the kind of typical Liberal injustice to which we object. We would have fully supported the dollar is a dollar tax reform proposal that the Carter royal commission proposed. The commission said that we should tax capital gains just as we tax any other money income. The government has not done that. It has said to the man who makes $50,000 or $10,000, or however much it is, on the stock market in Toronto or Montreal, "You will have to pay a tax on only half your gain; the other half is tax free." At the same time it has said to the unemployed in Canada who are collecting unemployment insurance, "You will have to pay income tax at full rates on that unemployment insurance benefit." That is the kind of hypocrisy which I find totally unacceptable. One day it may be totally unacceptable even to the Liberal party of Canada, although I suspect Utopia will be here before that day arrives. With those remarks I will finish, and yield the floor to a member of the Créditiste party.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to comment briefly at this stage on Bill C-169 which would reduce a little the income tax of individuals and corporations.

Like the hon. members who had the floor previously, Mr. Speaker, I feel this bill is a half-hearted attempt to reduce taxes. I would have hoped for a much more elaborate statement from the minister on that matter. He has indicated that the decrease of the income tax of corporations by 7 per cent was intended to give them more flexibility than at present, and that the decrease of the income tax of individuals by 3 per cent for 1972 would increase their purchasing power.

• (1650)

If we think a little of the effect of the tax reductions provided by Bill C-169, I feel that it will not be as favourable to the individual as the government seems to think.

First, individuals who pay $1,000 in taxes each year are rather scarce and we do not find many among lumberjacks, nearly never among miners, construction workers, service and store employees. The very few who pay $1,000 in taxes will receive a $30 annual reduction under the act.

Those, more numerous perhaps, who pay $500 in taxes will receive a reduction of $15 but those who pay about $100 will only have a $3 reduction, which is, after all, not overly generous.

As for those who don't have to pay any income tax, they will obviously not get anything out of this piece of legislation. That goes for those who live on retirement pensions, old age security or welfare allowances; this bill does not mean a thing to them.

For those who are more favoured, those whose revenues enable them to pay income tax, they at least have some reduction, but the vast majority of taxpayers stand to gain very little indeed.

The government is far more generous, however, toward corporations, large or small. Generally, they pay more taxes but this 7 per cent reduction represents rather significant sums.

On the other hand, we know that corporations can recoup the taxes they must pay by including them in their production or services costs.

Therefore, Mr. Speaker, once more, we realize that the government is far more respectful of large corporations than of individuals. However, I feel that the number of the latter is much larger than that of the corporations.

I believe it would have been smarter on the part of the government to grant a much larger reduction to individuals for the year 1972. Its effect would have been felt much more, since a larger purchasing power would have been available to individuals and workers, and the corporations would have equally benefited since the individuals would have had much more money to spend to meet their needs.

Considering those facts, Mr. Speaker, of course we cannot say that we are formally opposing this bill since its effects will at any rate be better than nothing, but the fact remains that the government cannot be too proud of having introduced this legislation because, in my view, and I said so in my opening remarks, it is much too timid for the importance they want to attach to it and its effect among our people, especially among the workers in general, will be very small.

Mr. Speaker, the bill must be referred to the House committee of the whole, and I hope that the minister will be much more eloquent in committee than he has been in his statement on the motion for second reading. It may be that we will be given—at least, I hope so—information much more meaningful than what we listened to this afternoon, and then, we shall be in a better position to evaluate the impact of such a bill.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.

Sales Tax on Equipment

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Honey in the chair.

The Chairman: Order. It being five o'clock I now resume the chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Hillsborough (Mr. Macquarrie)—External Affairs—Request for representations on behalf of oppressed Ukrainians—Effectiveness of Canadian action; the hon. member for Winnipeg North Centre (Mr. Knowles)—Canadian National Railways—Retired employees' pensions—Request for annual escalation and change in basis of calculation—Representations by minister; the hon. member for Richmond (Mr. Beaudoin)—Unemployment Insurance—Payment of benefits delayed—Proposed steps—Advisability of decentralizing Montreal services.

PRIVATE MEMBERS' MOTIONS

FINANCE

PROPOSED REMITTANCE TO MUNICIPALITIES OF SALES TAX PAID ON EQUIPMENT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain) moved:

That, in the opinion of this House, the government should consider the advisability of remitting to municipalities, pursuant to section 22 of the Financial Administration Act, all consumption or sales taxes paid or payable by or to be paid or payable by such municipalities, in the five years immediately preceding January 1, 1972 and in subsequent years commencing with that date, in respect of municipal equipment, otherwise exempt from such tax, but so taxed or liable to be so taxed by reason that such equipment has been or may be applied to any use as described in paragraph (c) of subsection (4) of section 27 of the Excise Tax Act.

• (1700)

He said: Mr. Speaker, I welcome the opportunity to rise on this occasion to speak to my private member's notice of motion appearing on the order paper as motion No. 2 dated February 23, 1972. It might be well to recall, for the sake of the record, and for those in whose interest this motion has been sponsored by myself, that this motion appeared in my name on the order paper last session as item No. 40. However, because of the large number of private members public bills and members motions, my motion No. 40 did not quite reach the top of the list before the session finished.

The motion just read by Mr. Speaker refers to a very controversial situation which has existed in the province of Saskatchewan for several years with respect to the federal Department of National Revenue's application of the sales tax to certain municipal machinery, and from my information it has been a burning question in both the provinces of Alberta and Manitoba. There seems to be a definite opinion on the part of municipal officials that the Department of National Revenue has been coming down far too hard lately upon municipalities when municipal equipment has been used to do custom work for ratepayers or do minor street repairs for a village within the outer boundaries or minor jobs for school units, which for the most part are done gratis.

Other examples can be given, such as a municipal snowplough being called in to clear the small runways that have to be provided by villages and towns in outlying areas with small hospitals so that the Saskatchewan air ambulance can land to pick up emergency cases in order to fly them into some large centre such as Regina or Saskatoon. At other times in the dead of winter a piece of municipal equipment may be called to open up a section of roadway upon which a school bus may be stalled with a busload of schoolchildren. In any event, it seems that the Department of National Revenue is far too keen on applying the federal sales tax to municipal equipment that may have been used for purposes that I have cited, even to the point that it has in some cases been called utter discrimination.

The department has at times sent investigators to municipalities in various parts of the province for the purpose of checking municipal records to discover the extent of such uses. Where these investigators decide that there has been a diversion of the use of equipment, they treat the equipment as having been sold on the date of such diversion and levy the federal sales tax on the value of the equipment at the date of the diversion. Needless to say, the councils of the municipalities which have used municipal equipment to help out a school unit or small village have been very much disturbed at this approach by the federal government.

The problem has brought forth a number of requests from municipalities to have the law clarified and more fairly applied. Mr. S. J. Safian, Q.C., legal counsel for the Saskatchewan Rural Municipal Association has put the case very strongly to the government. The Hon. Darrel V. Heald, former attorney general of Saskatchewan, on April 6, 1971, made a strong plea by letter to the former minister of finance suggesting that he and his colleague, the Minister of National Revenue (Mr. Gray), should take some action to amend the law. At that time, the minister of finance in his reply took the side of the Minister of National Revenue and the bureaucrats by indicating that private contractors would be hard done by. It should be interesting to note at this point that Mr. Safian made a special investigation into these so-called complaints of private contractors and was informed by Mr. L. Ramsden, district chief of the investigations section, customs and excise, that the total complaints received from the two provinces of Manitoba and Saskatchewan did not exceed 12 in

number. This included written and oral communications to the department and it was indicated that less than one half were from the province of Saskatchewan. Consequently, it would appear that this is not a serious problem or argument.

In looking into this matter closely, I find that the Department of National Revenue is applying the strictest interpretation to the exemption provisions under the Excise Tax Act. In relation to the equipment referred to, the act exempts any such equipment which has a price of over $500 and is especially designed for use directly for roadmaking, road cleaning or firefighting, but not including automobiles or ordinary trucks.

The words used in the exempting provision are far from high examples of clarity. Is a tractor equipment which is "specially designed" for roadmaking, as distinct from road maintaining? I should like to stress this, Mr. Speaker. It is just as well designed for road maintenance, and yet the Department of National Revenue has gone so far as to take the position that such equipment could not be used for road maintenance. For instance, is the Caterpillar or Champion grader patrolling the municipal roads and trimming the shoulders building up the road and therefore making the road, or is it only maintaining it? Just how ridiculous can the government officials get at times, Mr. Speaker. Every reeve and counsellor who is concerned with this subject will know that in the great majority of cases involving the use of such equipment, it would require a great deal of hair splitting to establish any difference, and the line between the two in most cases would be most difficult to draw.

To cite one more specific example of the ambiguity of some departmental decisions, there is the case where a municipal council had hoped to use their municipal road equipment for levelling a licensed airfield which was owned and operated by the municipality. The Department of National Revenue customs and excise investigation section gave the municipality a flat "no". In yet another case, the municipality was confronted with the question of the application of the federal sales tax to its equipment when used to do custom work for another rural municipality.

Here the situation is the same on a very strict interpretation of paragraph (c) subsection (4) of section 27 of the Excise Tax Act. If the equipment is used for other than permitted uses, that is roadmaking, road cleaning or fire fighting, the sales tax may be levied whether the equipment is applied to such use in the municipality which was the first purchaser of the equipment or in another municipality. This seems to be an irrational policy on the part of the Department of National Revenue. Where the use is a permitted use within the meaning of section 27 (4) of the Excise Tax Act, and where the equipment is employed in another rural municipality in a permitted use, that is roadbuilding, this consequence should not follow as a matter of commonsense.

An example in point would be where, for instance, municipality A has its own equipment working on a north-south road forming its western boundary and municipality B immediately to the west must replace a culvert, say, or repair approaches to a bridge on an east-west road very near to where the road equipment of municipality A is working. On a strict application of the act the equipment of municipality A could not be taken across the road into municipality B to make repairs without leaving itself open to levy of the federal sales tax on that equipment. Strictly speaking, municipality B would have to bring its equipment for perhaps 20 or 30 miles to make these minor repairs.

Another common discrepancy is the case of ratepayers within the municipality approaching their council with the request to plough out snow from their driveways in the winter after the municipality has purchased a new motor patrol with a snow wing in order to clear their main grid roads of snow in the winter.

Numerous requests as I said earlier, have been made to the government to amend this section of the act in question. Both the Minister of National Revenue and the Minister of Finance (Mr. Turner) have promised to give serious consideration to remedying this particular complaint, as it so seriously affects our municipal governments according to the correspondence I have on file, but so far no action has been taken. It should be said in all fairness to the officials who have to administer this act that it is not they who determine the policy and that they are responsible only for the administration. The remedy lies with the Minister of National Revenue and the Minister of Finance and ultimately with parliament.

This afternoon I have purposely kept my comments very brief because in dealing with this subject and in discussing it with some of my colleagues on both sides of the House, I know that they would wish to support the intent of this motion. To this end, I urge most strongly these ministers, and the government of which they are part, to amend the Excise Tax Act in order to broaden the range of permitted uses for municipal equipment beyond the area of road making, road cleaning and fire fighting, and to remove the other unnecessary and anachronistic restrictions on the use of municipal equipment.

• (1710)

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the motion of the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) is related to situations where a municipality has purchased an article free of federal sales tax but subsequently diverts the article to a use which does not qualify it for tax exemption.

The Excise Tax Act provides that sales tax is not payable in respect of certain specified articles when sold to or imported by municipalities for their own use and not for sale. This exemption includes:

—equipment, at a price in excess of five hundred dollars per unit, specially designed for use directly for road making, road cleaning or fire fighting, but not including automobiles or ordinary motor trucks.

If a municipality purchases this equipment free of sales tax and then permits it be employed in work that is not for the use of the municipality, or that is not a use that qualifies for exemption, the municipality becomes liable for the sales tax. This is required by section 27(4) of the Excise Tax Act which reads as follows:

Where a motor vehicle or tractor or a machine or tool for operation by a motor vehicle or tractor

(a) has been purchased or imported by a person who is the first purchaser or importer in Canada of the article for his own use and who purchased or imported the article for a use rendering such purchase or importation exempt from tax under this Part or

(b) has been purchased as described in subsection 44(2); the following rules apply—

(c) if within five years of such purchase or importation the article is applied by the purchaser or importer to any use (other than of a casual nature) for which it could not originally have been purchased or imported by the purchaser or importer exempt from tax under this Part, the purchaser or importer shall be deemed to have sold the article at the time of its application to that use and there shall be imposed, levied and collected a consumption or sales tax of 12 per cent on the value of the article at the time of its application to that use, payable by the purchaser or importer at that time;—

The motion of the hon. member urges that any tax collected from municipalities under section 27(4) of the Excise Tax Act in the five years preceding 1972 be refunded to them, and that any tax collected under this subsection in future years also be given back. Mr. Speaker, this subsection was enacted in 1962 to cover the situation where motor vehicles and tractors, allegedly purchased for tax exempt purposes, are diverted to a taxable use shortly after having been acquired.

Diversion to a taxable use includes a sale to someone not entitled to purchase free of sales tax. The rules apply for a period of five years from the date of the first purchase, after which the vehicles concerned can be diverted to taxable use without incurring sales tax liability. Under the wording of section 27(4) diversion of equipment, purchased tax exempt by municipalities, to non-exempt use cannot be permitted without incurring sales tax liability. However, the subsection makes an exception for diversions of a "casual" nature, and in the administration of the Excise Tax Act the Department of National Revenue has recognized that diversions of a casual nature do occur. From a practical point of view, such diversions are generally overlooked and payments of sales tax are not required.

I think there was some unhappiness when the Department of National Revenue some time ago requested the payment of sales tax on equipment diverted to taxable use in certain municipalities, where the municipalities in question advertised in local newspapers that they were prepared to do private contracting work with municipal equipment. It was felt by the department that this was certainly outside the definition of "casual." Diversions of a casual nature can include such operations as excavation of dugouts, ditching outside boundaries of a road allowance, street and culvert repairs, brush clearing, snow removal and so on.

In effect the motion proposes that municipalities be permitted to employ road making and road cleaning machinery and equipment purchases free of sales tax in any manner they see fit without incurring tax liability.

It should be noted that section 27(4) refers to any person who purchases or imports the equipment in question for tax exempt purposes and is not exclusively related to municipal purchases. The proposal of the hon. member would give preferred treatment to municipalities and would, no doubt, create pressure to extend similar treatment to other persons in analagous positions, for example, provincial governments, irrigation districts, and so on.

The present sales tax exemption for road making machinery acquired by municipalities for their own use is sometimes strongly criticized by private contractors. These contractors may not purchase equipment free of sales tax and this may put them at a disadvantage when competing for work which the municipalities may decide to do with their own tax-free equipment. If this motion were accepted and municipalities were free to use tax free equipment in any way they wished, the unfair situation with respect to private contractors would be made much worse.

The Excise Tax Act exempts from sales tax a comprehensive list of articles and materials sold to or imported by municipalities for their own use and not for resale. Numerous requests have been received that a more general approach be adopted and that all municipal purchases be made exempt from sales tax. Although the motion does not refer to broadening the current exemptions through amending the Excise Tax Act, the effect of providing a remission along the lines suggested in the motion would be to extend significantly the current concessions afforded to municipalities.

It must be assumed that tax sales exemptions for municipalities exist because of the desire of the federal government to provide indirect financial assistance to local governments. Municipalities fall under the legislative jurisdiction of the provinces and it is sometimes questioned whether the federal government should come directly to their assistance. In this regard, it might be noted that the provinces provide little assistance to the municipalities by way of sales tax exemptions.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I am very pleased to support the motion that is before the House. I will speak briefly, not because there is not a great deal to say on the subject but because I know there are many hon. members who wish to participate in the debate. Because of the nature of the subject matter of the motion, I would hope that it will not meet the usual fate of private members' motions, but will be referred to a committee for further study.

The motion is interesting in that a Conservative member is asking that we give public enterprise, in the form of municipalities, a break, or at least that we give them the benefit of the doubt. But members of the Liberal party, with their ideological hand-up on free enterprise, are concerned about the results of acceptance of this motion. They are concerned that private contractors might not like municipalities becoming involved in private enterprise. They are so hung-up on the private enterprise system that they are not prepared to give the benefit of the doubt to municipalities.

Mr. Guay (St. Boniface): On a point of order—

[*Translation*]

The Acting Speaker (Mr. Laniel): Is the hon. member for St. Boniface rising on a question of privilege or on a point of order?

[*English*]

Mr. Guay (St. Boniface): If the hon. member for Waterloo (Mr. Saltsman) means what he says, Mr. Speaker, then why is it that his party, which forms the government in Manitoba, does not alleviate the burden of the municipalities and give them a 5 per cent exemption? He speaks one way here in Ottawa, and the contrary way in Manitoba.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member should not take advantage of a point of order to ask a question. Further, this was more an expression of opinion than a question. The hon. member can seek the floor in due course and say what he has to say with respect to the motion.

Mr. Saltsman: Mr. Speaker, it is one of my great ambitions to hear the hon. member who has just spoken make a speech rather than an interjection.

Mr. Guay (St. Boniface): I will speak in a minute.

Mr. Saltsman: The real point at issue is whether we are going to give municipalities some benefit of the doubt in terms of when equipment they have acquired for their own purposes may be used for another purpose. We are not talking about resale, I think that is fairly clear. Any question of a municipality buying a piece of equipment without sales tax and selling it, is a red herring. I do not know of any municipality doing this. We are talking about equipment bought for one purpose by a municipality and then, in view of its emerging needs, the council may decide to use it for another. Under the present legislation, a private contractor could say that a certain field of operation is his exclusively and that the municipality must not become involved in it. Had we adopted that philosophy at the beginning, no sewers or sidewalks would now be maintained by the municipalities. The maintenance of all those things we so carefully provided for ourselves within a city would be excluded, because they were provided by a private contractor of one kind or another.

• (1720)

I think it is wrong for the government to take this adamant position in reference to this particular section of the Excise Tax Act. I can appreciate the argument of neutrality as well as anyone else; the argument that we should not favour public enterprise over private enterprise. If this were applied equally throughout the economy, there might be some validity to the argument. The taxpayer is not neutral. Certain aspects of the private economy are not available to municipalities. When we give moneys to companies for research purposes we do not apply a yardstick to determine what those companies are going to do for the national interest and whether they are competing with any public enterprise. That money is given because some research is being carried out, although perhaps it is not going to be used in Canada at all. In the case of multinational corporations, the benefits may accrue to another country. There are many aspects of neutrality in the areas I have described.

As I have said, there are many things that could be said at this time, but in deference to other members who wish to indicate their support for the measure before us, I shall conclude my remarks.

Mr. D. R. Gundlock (Lethbridge): Mr. Speaker, I am happy to support this motion this afternoon and I do so having had a good deal of experience as reeve, councillor, and county chairman. In these roles, I have dealt with the matters that the hon. member who put forward the motion has mentioned. I am familiar, at first hand, with the small examples, if we want to use the word "small", to which the hon. member has referred.

I have heard the hon. parliamentary secretary put forth the government side, the rules and regulations. I have dealt with these personally. One of the reasons I should like to support the motion is an answer given by the former minister of finance to a brief submitted by the Saskatchewan Attorney General, Mr. D. V. Heald as reported in the *Rural Councillor* of September 1, 1970. The brief made certain recommendations but the minister's reply was simply that "no amendment to the act is proposed". The matter was raised later and the minister's response to the Provincial Attorney General was to the effect that restraint of inflation was a mojor consideration in forming the policies. Mr. Speaker, I find it very hard to relate "restraint of inflation" to this sort of thing.

The hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) mentioned a case concerning the clearing of an airfield in the wintertime so that an air ambulance could land. The investigating inspector suggested that perhaps the sales tax on the snowplow would have to be refunded. This sort of thing is difficult for municipalities to accept in a practical way. I suppose the parliamentary secretary would quote the section of the act to me and say that piece of equipment was not used to build a road or to clean a road. I maintain that, in a practical way, the machine was most certainly cleaning a road, whether it was a roadway for an air ambulance or a roadway for a school bus or whatever.

I think the problem really lies in the interpretation of the act. We had a very strict interpretation of it a moment ago from the parliamentary secretary. In any interpretation, not only of legal words and acts, there must be flexibility. Some years ago when I was chairman of the county of Warner in southern Alberta, we sent a snowplow 80 miles into another municipality with a bottle of medicine because it was the only machine that could be found to deliver it. The machine went through the border town of Sweet Grass where the customs and excise men were located. They heard about this grader going into another municipality and we were told we had better be more careful.

If the government is not willing to amend the act, the minister should talk to his inspectors and ask them at least to be reasonable and use some flexibility in interpreting these words. We run across this all the time. A month or two ago when we were debating the tax reform bill, I recall asking the parliamentary secretary to consider including in the list of exemptions, rock picking. I know this does not have much to do with the present motion, but the point I am trying to make is that there should be flexibility in interpreting certain laws and regulations. I mentioned rock picking because I am a farmer. It is not an expense of farming to contract rock picking simply

because it is not listed as a deductible item. Land clearing and clearing bush is listed, but certainly rock picking is just as expensive a job as any other land clearing operation, but because it is not mentioned it is not allowed. The effect of the many of the provisions in the act before us depend on their interpretation.

I am not a lawyer but I have heard many times that justice must not only be done but must be seen to be done. The hon. member for Qu'Appelle-Moose Mountain mentioned the municipality that plows a north-south road which is a boundary road. I ask the parliamentary secretary, Mr. Speaker, can he imagine such a machine being exempt from this tax simply because it did not put the snowplow down when it may have travelled 20 miles over a road or entryway that needed cleaning? Can he imagine that sort of interpretation? I am quite sure the experts would be happy if the minister or his officials would explain these laws so that justice may appear to be done.

• (1730)

I mentioned the case of the airfield, and the snowplow that travelled 80 miles with a little bottle of medicine. According to law, these machines are excluded from sales tax exemption. I realize that no matter what law we have, there are ways around it. I will give an example of this. A municipal machine cannot build a ditch but the municipality has complete responsibility and control over safety on the waterways. I think we need a broader interpretation in this regard and I support the motion of the hon. member. I hope members opposite will consider this matter and accept this motion calling for an amendment to the law, and I trust the ministers concerned will accept the advice given during this private members' hour.

There are always ways to avoid taxation. I do not think municipalities are trying to avoid taxation, but they become frustrated when an inspector tells them they cannot build a driveway or diversion road because it is not on their land. We know there is an easy way around this. If it is for the benefit of the community, the owner could donate or sell the land to the municipality. Instead of nitpicking we should look at this matter closely. Any flagrant misuse of taxation policy is very noticeable. I do not think there will be any question of municipalities doing that. Taxpayers are the most important people to them and they will not let private contractors suffer at their expense. Our budget and the budgets of municipalities simply do not allow that sort of thing.

I strongly support this motion. If the House will not accept this amendment I strongly urge that the interpretation of the relevant laws be made more flexible.

[*Translation*]

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, I would like first to refer to the question which I addressed a little while ago to the hon. member for Waterloo (Mr. Saltsman) and which has remained unanswered.

[*English*]

First, however, I would like to congratulate the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam). I believe he is sincere in what he is doing. If he were not concerned with the area of municipalities he would not have presented this motion to the House. I, too, am concerned. It is for that reason I am speaking in this debate.

I did not receive an answer to the question I directed to the hon. member for Waterloo (Mr. Saltsman) a short while ago. I feel a member cannot belong to a political party in this House and speak against some action of the federal government when his party, which forms a provincial government, has done the same type of thing. I refer to Manitoba and the sales tax it has applied to machinery such as is referred to in the motion of the hon. member for Qu'Appelle-Moose Mountain.

We have a sales tax in Manitoba which affects the purchase by municipalities of many of the items mentioned in this debate. The sales tax in Manitoba is not the same as it is in Quebec. In Quebec there is an 8 per cent sales tax on many items but the municipality receives a 6 per cent rebate on that sales tax. That is not the case in Manitoba. When the sales tax was first implemented in Manitoba by the provincial government every property owner was receiving a $50 rebate on school taxes. This was done until the government came up with what it thought was a better idea. When they imposed a 5 per cent sales tax they eliminated the $50 rebate. We have lost the $50 rebate on school taxes but we are still faced with the 5 per cent sales tax. This applies to such items as Kleenex, toilet tissue and other necessities and it also applies to machinery. There is no rebate to the property owner. Also, we still pay a 4 per cent tax on utilities. There are problems for municipalities which represent the grassroots people. I wish to refer to an information sheet of the Canadian Federation of Mayors and Municipalities. I think it indicates the problem of the high cost of operation of municipalities. I will then refer to what I think should be done to help them. The title of this article, which appeared in CFMM Information of Thursday, February 10, 1972, is "City requires federal tax aid". I quote from the article as follows:

> With the cost of home ownership and rental already excessive, a 5.6 per cent increase in Ottawa's 1972 mill rate—meaning nearly $50 more in taxes for a home assessed at $8,000—is sad news. And there are more tax announcements to come.

• (1740)

> On the evidence available in the budget statement, its not the city's managers who are to be faulted. As ever, the issues raised by the operating budget lie more on the revenue than the spending side.
>
> A 16.6 per cent increase in spending is, indeed, a very considerable amount. Much of it is accounted for in salaries, notably the whopping 1971 arbitration awards to police and firemen. There is strong argument here for wage moderation, which has been taking hold in other sectors of the economy, in 1972 settlements. There is argument too on behalf of efforts to rationalize staff in the personnel study now nearing completion at the City Hall.
>
> But a 22.8 per cent increase in the municipal mill rate, explained by the changing impact of the provincial grant structure, is not tolerable at all. Yes, the time has more than come for a massive swing to unconditioned grants. Just as important, if the city—and region—are to have any room to manoeuvre in their spending plans, there must be new tax sources made available.

Now I should like to quote the following passage from the Speech from the Throne of October 8, 1970.

> Much progress has already been attained in these areas, housing and the provision of the many services necessary in an urban environment, but much more remains to be done. To solve the

problems will require an ever-increasing share of the nation's financial resources; not to solve them, to permit unmanaged growth, would result in an unacceptable drain on the nation's human resources. To foster co-ordination of the activities of all levels of governments, and to contribute to sound urban growth and development, the government proposes the reorganization of its urban activities under the direction of a Minister of State for Urban Affairs and Housing. The government seeks, by making rational its efforts in these fields, and through consultation with those most directly concerned, to help Canadians reach and implement the decisions that will determine their urban future.

The municipalities of Canada have been asking for tax relief for years. They have been asking for a greater share of the nation's resources in order that they may do their job better. The Canadian Federation of Mayors and Municipalities did succeed in getting the federal government to pay grants in lieu of taxes. They are asking, now, that sales tax on pollution control equipment be waived.

Mr. Speaker, I support any measure which would alleviate the financial problems faced by the municipalities. That the municipalities are, indeed, encountering major difficulties is evident from the report of the joint parliamentary committee on the constitution which, as hon. members know, was tabled only last week. The committee toured Canada to study the situation at first hand, interviewing people in all parts of the country. This was a wise decision and the recommendations were all the better for it. The committee undoubtedly appreciated the problems the municipalities were facing.

I should like to refer to the final report of that committee and in particular to the paragraphs which appear on page 54, chapter 21 of the report. I do not have time to mention all the recommendations made but I should like to quote at least paragraph 63 which reads:

A tri-level conference among federal, provincial and municipal governments should be called at least once a year.

In a brief note attached to this and other recommendations, the committee stated:

We agree fully that more co-operation, liaison and even harmony, is needed among all levels of government.

The meat of the recommendations is contained in chapter 22 where specific reference is again made to municipalities. I realize that these recommendations have not yet been accepted by the government, but I sincerely hope they will be given consideration. Paragraphs 64, 65, 66, 67 and 68 are all of great concern to the municipalities. I should like to quote paragraph 67:

In the light of the injustice done municipalities by their having to rely on the property tax for the bulk of their revenue, there should be a sharing of tax fields between governments that would allow municipalities direct access to other sources of revenue.

There are many other good suggestions made in this report. It should be borne in mind that the committee did not make its recommendations solely on the basis of the situation in Ottawa; they were the result of meetings held in all the provinces across Canada.

Coming more closely to the motion itself, I would point out that one would need to know a great deal about the detailed affairs of municipalities before being certain that in each case they would profit by the particular proposals which have been put forward. I believe that in the greater Winnipeg area, of which I have particular knowledge, some of them would, if adopted, lead to revenue losses in certain directions. However, the intentions of the mover of the motion are good and for this reason I do not want to make any references which might be construed as criticism in that sense. Anything which would alleviate the difficulties of the municipalities and put more funds at their disposal would meet with my approval. In the end, of course, it will be the taxpayers who will benefit, even those with low incomes, because the mill rate will be lower.

I feel that the proposal for complete exemption from all sales taxes is not a wise one. It savours too much of a booby prize in terms of what the municipalities are really seeking. A meeting is to be held here a week from today between the federal cabinet and representatives of the municipalities. It is to take place in the railway committee room and I suggest that hon. members who are concerned about these issues should attend to hear the briefs which are to be presented at 11 a.m. This is where they can be counted. We shall be able to see how many of us here are really concerned about the situation in which the municipalities find themselves.

I believe that instead of pressing for a single exemption, which does not add up to a great deal, the House should endorse the commitment of the government of Canada as expressed in the Speech from the Throne which I quoted a while ago, that is, to devote a larger share of the nation's resources to solving urban problems. This is not a responsibility of the federal government alone, of course; it is a responsibility of provincial government too.

If we had received all we were promised by my own province a few years ago, it would now be a good day for the municipalities. But the promises were never fulfilled. Taxes are still rising and no solution has yet been found. Always it is the same story: municipal problems are to be taken into consideration and an attempt made to find a solution. Then another year goes by without any result. The time has come, Mr. Speaker, when results must speak for themselves.

• (1750)

Municipalities which have been making improvements to benefit their citizens have paid the shot so far. What we need is intergovernmental consultation on municipal financing, with a commitment by the federal and provincial governments to give the municipalities access to more tax resources, not simply single exemptions which add up to practically nothing. With that said, once again I invite all hon. members to attend the meeting next Monday at 11 a.m. in the railway committee room.

Mr. Ian Watson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I should like to congratulate the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) for giving us the opportunity today to discuss the financial problems of municipalities. The hon. member is suggesting in his notice of motion one method in which he feels the government of Canada could assist the municipalities in their financing. I am sure he will agree that there are dangers in the method he is proposing in that although it may make sense for road cleaning and road building equipment to be owned by one municipality and used by a second municipality, the possibility of such equipment being rented out or being used in competition

with private contractors is stretching things a little farther than I am prepared to accept.

The question he has opened up today is one that is certainly worthy of a lot more consideration by the government. The whole question of whether municipal equipment should be exempt from sales tax while other equipment should not be exempt I feel should also include the question whether or not sales tax should be eliminated altogether on such equipment. Inquiries I have made in my department in this regard have not convinced me that this is a realistic proposition at the moment.

The trouble lies not so much with the larger items, which are easily identifiable and can be controlled fairly easily in that they can be traced quickly and efficiently to the manufacturer, but rather it lies with the smaller items that are purchased from storekeepers or dealerships. Here the problem is much more complicated.

As the hon. member is aware, it is necessary for a municipal purchaser to supply an end use certificate for items put to municipal use which are eligible for exemption. This process is a relatively simple one, I am told, when large items such as sewer pipes are involved. But when it comes to nuts and bolts and minor items which, though eligible, are purchased from small dealerships, this end use certificate procedure becomes complicated. The Department of National Revenue, which is responsible for keeping track of these certificates, spends a large number of man hours per fiscal year checking these very small purchases. In theory, one could suggest that it might be simpler to abolish sales tax procedures completely for municipalities, and undoubtedly this would be of major assistance to most municipalities. However, the amount of additional paper work involved, especially for small items, would be enormous.

If a different method of auditing could be worked out with the provinces whereby a better and more efficient check could be made of municipal expenditures for both small and large items of equipment—again I am talking about the theoretical situation where sales tax is abolished completely—then conceivably it might be possible to consider the hon. member's proposal, at the same time maintaining the safeguards which I am sure all hon. members would agree are necessary to prevent abuse. In view of the number of municipalities in this country, I am sure the procedure would be open to abuse if the doors were thrown open completely by eliminating sales tax on all items purportedly for municipal use eventually.

The question of municipal financing is one that concerns me particularly since I represent a constituency just across the river from Montreal. It is a bedroom or dormitory-type constituency that has doubled in size as well as population in the last 10 or 12 years. Although we see particularly the growing municipalities making mistakes that we all know how to avoid, mistakes that have been made elsewhere in North America, we are still repeating these mistakes.

Municipal finances are getting into an absolutely deplorable state today. I have letters from some of my constituents complaining about taxes amounting to $800 or $850 a year on houses worth no more than $12,000 to $13,000. I am sure few members of this House have constituents who are in such a deplorable situation. Anything that would help relieve the municipalities in my area of their burden would be welcome. However, the suggestion implied in the hon. member's notice of motion, I feel, does allow for certain abuse which, on reflection, I am sure he would not want to see. However, the opportunity he has given us to discuss this matter is appreciated.

[Mr. Watson.]

The Acting Speaker (Mr. Laniel): Order, please. The hour appointed for the consideration of private members' business having expired, the House will revert to the business it was considering in committee.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed consideration in committee of Bill C-169, to amend the Income Tax Act—Mr. Turner (Ottawa-Carleton)—Mr. Laniel in the chair.

The Deputy Chairman: It being six o'clock, the committee will now adjourn till eight o'clock tonight.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Chairman: Order, please. House again in committee of the whole on Bill C-169, an act to amend the Income Tax Act.

On clause 1—*Additional deduction from tax.*

Mr. Lambert (Edmonton West): Mr. Chairman, I do not think there is any need for me to traverse in great detail what was said in the debate on the companion bill to this one which applied to tax in 1971. At that time I indicated that I would support some limitation in the amount of the reduction. I would think that a limit of about $60 would be right. That would represent a reduction of approximately 3 per cent on $2,000 of tax payable. A man earning $10,000 or $11,000 would pay in the neighbourhood of $2,000 in income tax. I do not have exact calculations in front of me. It seems to me, however, that we should be able to work on this basis. Bearing in mind the incomes that are earned today, I suggest that $10,000 or $11,000 a year embraces a large part of the working force.

Last December a representative of the NDP, the hon. member for Oshawa-Whitby I think, moved to impose a limit of $40 in the amount of the reduction.

Mr. Jerome: The hon. member is referring to tax dollars?

Mr. Lambert (Edmonton West): Tax dollars, yes. At that time I suggested that was not enough because such a low limit eliminated a large group of people who today are known, shall we say, as the solid core of working people. After all, today it is not uncommon for a married man

with one or two children to earn between $13,000 and $14,000 a year. Certainly, those who support the hon. member for Oshawa-Whitby and his party in many instances come from the upper quadrant, the upper third let us say, of trade unionists and they earn that much if not more. One need only look at today's wage rates to see the sort of money they are earning.

Taxes have risen for these people to the point that they are paying approximately $2,000 in income tax. A man with a taxable income of between $8,000 and $10,000 would pay income tax of $2,000 to $2,500. For the sake of rough justice, I would agree to a limit of $60 in the amount of reduction. A limit of $40 I think is wrong and will not accomplish enough.

I also want to support such a limitation because it is in keeping with what we advocated with regard to a tax credit. A limitation in this area will do the most good. If you are giving a tax cut, give it in the area where it will be most meaningful and where it will do the greatest good. If a tax credit system had been adopted, this sort of thing would have been easy to do in this area. That was the point we tried to hammer home in our criticisms of Bill C-259, the tax reform bill of 1971.

• (2010)

Here is a classic example of the flat 3 per cent reduction. For the man in the higher income bracket, the 3 per cent represents quite a fair amount. Let us take the example of a man with a taxable income of $25,000. He pays an average of 33 per cent or 35 per cent across the board in tax. Let us put it at a rough amount of $8,000 in tax. He will have the benefit of $240 as a result of the 3 per cent deduction which he is to be allowed. I do not begrudge him that. He will receive $240 on a taxable income of $25,000. The amount of $240 does not mean too much to him. However, if this $240 was available to an individual earning, say, $7,000 with a taxable income of $4,000, then we would be doing what we are attempting to accomplish in this country. That is where the thrust should be.

This is in keeping with the philosophy we have enunciated in our party in respect of tax changes and tax credits. I am dealing with rough figures, but this is what I would be much more inclined to support so far as a tax credit is concerned. This is a one-shot operation. It is not as though we were setting it up over a period of years. My figures may not be exactly correct.

An hon. Member: That would not be new.

Mr. Lambert (Edmonton West): I love to hear this sage from Hamilton.

Mr. Gibson: I did not say anything.

An hon. Member: You are wrong again.

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

Mr. Gibson: Mr. Chairman, I was thinking all kinds of thoughts but I did not open my mouth on this occasion.

Mr. Lambert (Edmonton West): Mr. Chairman, I apologize to the hon. member, but he is so prone to open his mouth and let sounds come forward unthinkingly that I immediately reacted like everybody else. If somebody else made that statement, fine. As I say, these are rough estimates but that is the position I would take. I think the Minister of State attached to the Minister of Finance would not mind if we imposed a limit of $60. I know an hon. member wishes to bring forward a motion and I shall not steal his thunder. However, he will have much more chance of getting our support if he uses the figure of $60. That is all I shall say on this clause.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Chairman, I hate to upset the cheering of my colleagues who no doubt anticipate a prolonged and profound 40 minutes address. I made the essential points in debate this afternoon on second reading. I pointed out at that time that the measure before us is completely inadequate in terms of equity and fairness to taxpayers and to the average poor person and, secondly, in terms of providing money to those who would most likely spend it soon and thus stimulate the economy. Therefore, I should like to move an amendment to Bill C-169 as follows:

That clause 1 of Bill C-169, an act to amend the Income Tax Act, be amended by changing the phrase "3%" in line 11 to "6%" and by changing the period at the end of line 19 to a comma and adding immediately thereafter the following words: "or $60, whichever is the lesser.

I point out in graphic form the reasons for the amendment. I draw to your attention the present maldistribution of benefits in the bill before us. I introduced figures in the debate on second reading which clearly illustrate the maldistribution of tax benefits which this bill provides. If the House accepts this amendment we will set an upper limit of $60 on the tax benefit which will accrue. At present, if we check the effects of the government's proposal we will find that people in the upper income category will save, in absolute terms, much more money than the average income or poor person.

I have calculated, for example, that a person with two dependants earning $100,000 a year will save $1,500 in tax benefit. At the other end of the income scale, someone earning $2,000 will save a grand total of $2.25. In each case I am speaking of a person with two dependants. Someone earning $4,000 would save $16.41, someone earning $6,000 would save $32.28 and someone earning $8,000 would save $49.62. This type of maldistribution of benefit is something we should be attempting to rectify in order to make sure that those at the bottom end of the income scale receive the maximum benefit from the tax change.

Therefore, I suggest that members of the House who really want to do something at this time to give immediate benefit to low income groups should support the amendment. This will make sure that these people receive the money and it will not go needlessly to those who really do not need it.

• (2020)

Secondly, in terms of providing an economic stimulus to the economy—that is our concern, as it should be; it is one aspect of tax policy—by making sure that low and average income groups get the $60 we will ensure that much more of it will be injected very soon into the economy,

thereby increasing demand for services and for products, which will have an immediate spin-off effect in terms of increasing the demand for labour and therefore contributing toward the reduction of our unemployment levels.

By passing the same amount of money to higher income groups, as I argued earlier this afternoon, there is much less likelihood of that income being spent in the early future and acting as a stimulus to the economy. In fact, normally it would just be lodged in a bank or invested in some stock and soon its impact in creating jobs would not be felt. Therefore, I urge that all members present give serious consideration to this amendment because in terms of equity and economic stimulus to the economy it would be much more effective than the measure proposed by the government.

The Chairman: The Chair has for consideration the amendment moved by the hon. member for Oshawa-Whitby. Of course, the Chair will recognize other hon. members who wish to speak to the amendment. I do not believe the amendment is out of order.

I think that essentially the hon. member has complied with the considerations which the Chair must give to an amendment of this type. The amendment is relevant to the bill. It does not propose to increase the incidence of taxation upon taxpayers. In effect, the amendment would reduce taxation. The only hesitation that the Chair has is whether the hon. member in the latter part of his amendment, by in effect limiting the reduction in taxation, seeks to change the incidence of taxation on Canadians who are required to pay taxes. I do not hold this view too strongly and I mention it only as a question with which hon. members might wish to deal. However, if there is no objection the Chair is prepared to put the motion.

Mr. Knowles (Winnipeg North Centre): Perhaps I should not interject at this point, Mr. Chairman, since you are in agreement. Let me merely point out that it is the same as the ruling that was given on December 23 last.

The Chairman: Is there any other hon. member who wishes to speak on the procedural acceptability of the amendment? Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Broadbent) negatived: Yeas, 19; nays, 33.

The Chairman: I declare the amendment lost. Shall clause 1 carry?

Clause agreed to.

On clause 2—*Deduction in computing tax otherwise payable.*

Mr. Lambert (Edmonton West): In connection with the proposal with regard to corporations, it must be remembered that when I refer to corporations I do not disregard the individual and his wife or the two-man company which is incorporated. This provision applies to corporations all the way from the smallest to the biggest across the country. I have no inhibitions with regard to the word "corporations" as my friends to the left have. They think that anything that is named a corporation or that qualifies as a corporation should be put to death or taxed to death. They say they do not want to put it to death but they will tax it to death, and rather than kill it outright they will just strangle it. At that point my colleagues and I part company, if we ever had company, with these people.

As a matter of fact, in light of the remarks I made this afternoon and that I have made in the past I would have preferred to see a 10 per cent cut in this provision, with a longer period, because frankly the minister is indulging in this one-shot business during an election year and is thus trying to fool the people. The former minister of finance indulged in something of this kind. Perhaps I would not call it misleading of the people because I do not think he could deliberately undertake anything like that, but he certainly misled the people when he said on the night of October 14 that this, in effect, meant a 10 per cent cut in corporate income tax as of July 1. Of course, that was the most blatant misrepresentation that one could make in this House. The surtax had been increased and added to in December because it was supposed to be a worth-while tax measure to bolster government revenues and to keep the economy on an even keel. Six months later, to the accompaniment of great clapping and slapping of desks by government backbenchers, the surtax came off. Everything was fine.

• (2030)

Mr. Mahoney: Whoa, Marcel!

Mr. Lambert (Edmonton West): Everything was fine.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): Yet within about five months—Mr. Chairman, sometimes you have to pitch your voice a little louder to get through thick ears.

Mr. Lefebvre: Especially when you don't have too much to say.

Mr. Lambert (Edmonton West): Let the hon. member get up and make a speech on taxes.

Mr. Lefebvre: If I can't make one better than you, then I won't.

Mr. Lambert (Edmonton West): I know the hon. member can't say anything, for he never speaks. We will see what he is going to do tonight. I suggest that it was totally wrong for them to speak as they did in June. This was demonstrated in October by the then minister of finance. Yet, as I said earlier today, both sets of proposals received the same amount of clatter and clapping from government backbenchers. And why, Mr. Chairman? Because it is the thing to do.

I would have much preferred meaningful action to have been taken in June in regard to this matter. As a matter of fact, in December of last year we spoke and voted against the imposition of the surtax. The government was told that its action was wrong. It was demonstrated to be wrong by the action taken six months later, and it is now shown to have been doubly wrong by this proposal of a 7 per cent reduction limited to January 1, 1973. That limitation is questionable. I fail to see how they think that

anybody in business is going to make any meaningful investment on the basis of a one-shot—for one year—reduction of 7 per cent in the amount of taxable income. Mind you, I suppose we will have to say that it is better than nothing. I am not going to oppose it. I cannot propose that the amount be increased and there is no way that we can redistribute it. But while objecting to the amount and to the time limitation, we will support the proposal.

Mr. Saltsman: Mr. Chairman, I would like to direct a question to the minister on clause 2. It concerns the rationale for a 7 per cent across-the-board tax reduction. On what basis was this decision made? What information did the government have at its disposal from which it could assume that by deferring public moneys of this kind there would be an effective stimulation of the economy?

Mr. Mahoney: Mr. Chairman, obviously it is a question of judgment balanced against the ways and means requirements of the government. In this particular instance it was felt by the government that in the corporate sector a tax reduction in the order of $335 million over the 18-month period would have a meaningful impact on stimulating the ecomony, particularly bearing in mind that this was by no means either the first or the only measure proposed by the government to stimulate the economy. Also, bearing in mind the results that have been achieved, which seem each month to be proving out into an increasingly expanding economy, the measure seems to have been well founded.

However, to reply specifically, the figure could have been 8 per cent; it could have been 10 per cent; it could have been 5 per cent. The other figure could have been a year, six months, 18 months or two years. The balanced judgment was that this $335 million reduction over an 18-month period would provide a meaningful stimulus and, as I say, events would appear to have borne that out.

Mr. Saltsman: Originally this measure was supposed to end on January 1 of this year. Therefore we have had some experience with it. I am sure the government has had some experience of how successful the measure has been, not in a general way but in a specific way. When sums as large as the amount we are discussing are being remitted to industry, I think there should be some assessment. I am sure the department has made some assessment whereby it can demonstrate that where millions of dollars are being given to industry in fact a stimulus has been provided. What evidence has the minister that could persuade the open-minded people on this side of the House that this is a good measure and should be continued?

Mr. Mahoney: Mr. Chairman, I would not attempt to isolate the beneficial effects of this particular measure from the beneficial effects of other measures that the government has undertaken in relation to the economy over the last several months, indeed for almost two years. However, the evidence of economic performance during the latter part of 1971 and carrying on into the first two months of 1972, for which figures are presently available, would indicate that the economy has recovered rather remarkably from what was a genuine slowdown during 1970. This would also indicate that our economic performance relative to other countries with whom we are prone to compare ourselves has been indeed favourable and that this measure, as part of a package of other economic measures, has indeed been effective.

Mr. Saltsman: Mr. Chairman, I do not know whether to thank the minister for that answer or to simply scratch my head and try to figure out what he said. However, I know that he is interested in providing as much information to the House as he possibly can. Since the government has spent large sums of money on various programs—we have put $1 billion into regional aid, we have expended large sums of money on LIP, large sums of money on the Opportunities for Youth program, large sums of money on this program, and of course, on personal income tax cuts—I want to know from the minister, what method does the government have of assessing the benefit to the economy of specific programs funded by taxpayers' moneys?

Mr. Mahoney: As I indicated earlier, Mr. Chairman, I would not attempt to isolate the beneficial effects on the economy of any particular program. I simply assess them as a package. The 200,000 new jobs our economy created during the past calendar year, the relatively good price performance, the containment of inflation—in relative terms, better than our trading partners—and so on, are all evidence to me of a fairly well managed economy; and this particular measure, in so far as it was applicable during the latter half of 1971, must be regarded as one of the beneficial measures.

To attempt, on the basis of a few months' performance to pinpoint what this, that or the other measure might have done in isolation from the rest would be an impossible task. To say how many jobs were created as a result of leaving this kind of tax money at the disposal of the business community, as opposed to how many jobs were created as a result of the greatly expanded housing program that was undertaken through CMHC last year, would be an impossible task. Perhaps some historian might be able to parse it. I can only judge these things on the basis of an over-all package.

Mr. Saltsman: Is there any program in the minister's department that follows on these tax cuts? Are interviews conducted with people who are recipients of these tax cuts, and is any attempt made to determine the effectiveness of these measures? After all, we are talking about very large sums of money. It is not good enough to say that we are going to throw the money up in the air in the hope that it lands properly and has some effect. When any government spends as much money as this one has there is, of course, some value but also some waste. I think the important way of measuring a government's success or failure in the spending of money is to see how effective it has been.

• (2040)

I ask the minister, through you, Mr. Chairman, whether there is a follow-up program to assess the effectiveness of these tax cuts.

Mr. Mahoney: Mr. Chairman, of course we try to assess the effectiveness of all government programs. I am not

aware whether any report on the program in question is available as yet, but we have knowledge of the generally improved economic performance in Canada to bear out that on balance the package of programs has created an improvement. I shall inquire whether we have the results of any assessments of this particular package of measures over the first six months of its term, that is, the last six months of 1971. If figures are available, I shall attempt to impart them to the hon. member, but I do not have any assessment at my fingertips.

Mr. Broadbent: I should like to pursue this fascinating set of questions and the equally fascinating non-answers we are getting from the minister. The minister's answers are reminiscent of those we used to get from the minister of industry, trade and commerce—

Some hon. Members: Question.

Mr. Broadbent: —on the question of money spent on scientific research and development programs. The fascinating Liberal theory at that time was that if you spend a million dollars on a science policy or any kind of research and development program, somehow something must occur that will benefit the economy and improve the level of scientific research. This is hardly a profound kind of causal analysis of what occurs in either science or the economy.

If the government has decided that by cutting a couple of hundred million dollars out of the tax load of the corporate sector of the economy there is bound to be a causal effect on unemployment, that seems to be a reasonable conclusion that any five-year old could draw. But surely intelligent economic policy was intended to get the maximum benefit per dollar spent.

I ask the minister why the government did not relate the tax benefit to actual expansion of employment, if the real intent was to stimulate the economy. I realize that stimulating the economy may not result directly in expansion of employment but perhaps in expansion of efficiency. Since the minister has already said that when this measure was brought in the government was concerned with an economy which was in need of stimulus, in need of more jobs being created, why did the government not say, "You can have your 7 per cent tax reduction if you can show at the end of the fiscal year that you have expanded your employment by a certain percentage"?

Mr. Mahoney: In the first place, Mr. Chairman, I would not wish the hon. member to feel that he has hurt my feelings at all—

Mr. Broadbent: That is impossible.

Mr. Mahoney: —by comparing me to the present Minister of Industry, Trade and Commerce or to any of his predecessors. Unfortunately, sometimes the answers to simple questions tend to be complex, and sometimes the questions, while simple themselves, deal with complex matters. Perhaps in asking his question in the terms that he did, the hon. member is reflecting the same preoccupation that he has, for example, with the manufacturing and service industries to the exclusion of resource industries.

[Mr. Mahoney.]

It seems to me that a tax cut which permits a company, not necessarily itself, to create new jobs and to buy goods and services from its suppliers, thereby permitting them to create new jobs, is a valuable thing. The economy is not nearly as simple as the hon. member would seem to indicate. He is preoccupied, for example, with the relatively few people employed in mining operations. That is fine, but there are many people employed on the railways that haul the production of the mines, many people employed in the steel mills which provide the trucks, cars and so forth that haul the production of the mines. To simply relate tax cuts to direct employment would be to do a disservice to a very complex economy such as functions in Canada today. Our economy is not a simple operation and it does not lend itself to simplistic answers.

Some hon. Members: Hear, hear!

Mr. Broadbent: Mr. Chairman, I shall not say that the minister's answer was simplistic, but I am not sure if he implied what my simplistic solution to my own question was. I should like to catch the minister in the logic of his own reply and see if he can get out of this. If I understood correctly, he was saying that the manufacturing sector or the service sector is more labour-intensive than the resource sector, and if that is the concern there may be a case for the government applying its tax benefit only to those two sectors if they want to generate more employment. But he went on to say that the economy is more complex than that; that even if the resource sector is stimulated there will be effects because it purchases goods and services from other sectors of the economy, and he cited the railway industry and the steel industry.

Mr. Chairman, that misses the essential point. Of course they purchase goods and services from other sectors, but so does the manufacturing sector. Surely that is the point. If you have a steel industry, a textile mill or an automobile plant that in its own operation employs more people per dollar invested than the resource sector, there are spin off effects because all the goods and services they buy from other sectors means that the total employment introduced will still be greater than allowing some of the money to go into the resource sector. I should like the minister to comment on that point.

Mr. Mahoney: I do not think I can add very much to what I have already said. I feel the over-all performance of our economy has borne out the judgment of the government in this respect. I think probably the hon. member would find that a great deal of employment could be generated in the hand-made buggy-whip business, but perhaps the market for the product of that labour-intensive enterprise might not be very large.

I think Canada has to operate under the economy it has, not the one it might wish it had or that the hon. member might wish it had. Therefore we must work with the assets we have. The statistical information on the performance of our economy over the past year would indicate that it has been operating relatively well.

Mr. Saltsman: Mr. Chairman, since I know that the Minister of State has considerable experience with the resource industry, I should like to ask a question about the way in which a tax cut stimulates resource develop-

ment. It is my understanding that there has been a tightening of world markets and the demand for many of our minerals has been declining. There have been lay-offs in the nickel industry, the iron industry and industries of that kind. Under these circumstances of low world demand, would the minister explain how a tax cut to these industries will stimulate the economy?

• (2050)

I do not know whether the minister is thinking of the answer he wishes to give me or whether he does not want to answer the question. However, I would appreciate a comment from the minister.

Mr. Mahoney: Mr. Chairman, I find it difficult to answer a question as to how a tax cut for any particular industry stimulates the economy. It seems evident to me that tax cuts involve an increase in the net pay-off for the entrepreneur and make it much more desirable for the entrepreneur to carry on business. I do not think it greatly matters what is his particular line of work.

Mr. Saltsman: Mr. Chairman, that is the point I was trying to make. It seems there is no need at the moment, certainly in some of the resource industries, to provide any stimulation because the market for the resources does not exist. What would be the point of providing stimulus to the pulp and paper industry when it is in a very tight market, or the nickel industry which is laying off people? In what way does a tax cut stimulate the economy and provide the employment that all of us are interested in providing?

The Minister of Labour has repeatedly said, and I am sure the Prime Minister has also said it on occasion, that the government are very concerned about the high level of unemployment. They want to see this situation corrected. We in this House are being asked to vote on a measure that will spend $125 million of the taxpayers' funds. We are not given any sort of indication that this kind of expenditure is justified. We are interested in providing opportunities for fuller employment. We on this side want to be convinced that the measures before us will in fact accomplish that purpose. We want a much better explanation than we have been able to obtain from the minister. I hope the minister will rise and be more persuasive than he has so far.

Mr. Mahoney: Mr. Chairman, the hon. member is indeed fortunate in being asked to vote on this particular measure at a time when the economic indicators demonstrate that the economy is performing well. Unemployment is falling; employment increased by over 200,000 jobs over the past year. In spite of his preoccupation and my concern over the 600,000 people in Canada who are unemployed, I am not the least bit unhappy about the 8¼ million who are working.

The hon. member can take great comfort from the performance of the economy over the past several months, and being asked to vote on a measure that has been in effect for eight months as a result of the budgetary statement of last October, when the economic performance bears out the wisdom of this measure in combination with others the government has adopted.

Mr. Saltsman: Mr. Chairman, of course I cannot ask you to judge on how well our questions are being answered. Let me say they are not being asnwered in the least. The government is asking parliament to approve vast expenditures on programs which look like nothing more than a profit maintenance system for industries in Canada, some of which may need it but most of which do not. It is not being selective. It is an election year, so you must not be selective. After all, everybody has a vote so everybody participates in the boondock.

Let us consider the benefits that have been provided under this legislation to the ordinary taxpayer. We see a very nice juggling act. There is always an equation in a tax proposition. To the extent that one group pays less tax, other groups have to pay more. To the extent that this $125 million is being given away without any indication that it will provide jobs, the taxpayers in Canada who are not in industry have to pay for it. The money that is given to them under one provision is being entirely nullified under the other provision. In this bill we have a great sleight of hand, this juxtaposition of one thing to the other.

For a long time there has been evidence that tax concessions to industry do not stimulate the economy. I would like to refer to a very important speech made by the hon. member for Duvernay. I see the members of his party laughing at him. They did not laugh when they were falling over themselves trying to encourage him to be a candidate for their party. They laugh now because he had the courage to disagree with the trained seals in his party who are prepared to watch unemployment in Canada rise without saying a thing. He at least had the courage to dissent. He has now become an object of derision to his colleagues.

The hon. member for Duvernay has had wide experience in industry. He is a former president of the Montreal stock exchange. He is not the only one who has stated that tax concessions to industry do not stimulate the economy. The basis on which industry expands, and perhaps the only basis on which it expands intelligently, is consumer demand. If there is demand for a product and industry can produce the product at a profit, it requires no more stimulation than that. You can stimulate industry all you like, but if a consumer does not have any money to purchase a product, no expansion will take place. If the world market for metals is down, talking all taxes away from the mining industry will not encourage it to produce because there is no market for its goods.

We in this House are being asked to vote a vast sum of money to make it easier for the Liberal party to prove they are the friend of business in an election year. We are not prepared to be so generous to the Liberal party. At the beginning of the discussion of this clause we asked a number of questions in the hope that the Minister of State would give us an intelligent explanation and logical reason as to how the expenditures under clause 2 will result in additional employment in Canada. All we got from the minister was pious hope and vague suggestions that the government's program is enormously successful, although it is very difficult to sort out whether it is because of this measure, another measure or something else. Surely it is an abominable thing to come to the House

of Commons, which is responsible to the people of Canada for expenditures made on their behalf, and ask us to vote over $100 million on this basis.

We are talking about the party that prides itself on its business acumen. That party says it is the manager; the Liberals know how to run the country and know how business should be conducted. However, it cannot give an even half intelligent account to parliament of $125 million. This is unthinkable for anyone who has the interests of the nation at heart. We are not averse to spending money to help the economy. We are often accused of being the big-time spenders. This is the party that wants to spend all the time, so they say.

When we suggest there should be a more generous contribution to old age pensioners, or we should take a less jaundiced view of the poor in our society, the government says that we want to spend this country into poverty. However, when the Liberal party wants to lay out $125 million to industry for a program they cannot even defend, that is not charity or welfare, that is business acumen. It is not good enough. We are not convinced, and unless we get some better answers from the other side we cannot accept this proposition.

• (2100)

Mr. Broadbent: I should like to add a few words to those of my hon. friend. The Liberal party in Canada is made up of lawyers, junior executives and the like.

Mr. Stafford: What are you?

Mr. Broadbent: They claim that the only party in this country which has any experience of the workings of the economy is the Liberal party.

Mr. Mahoney: We have a couple of professors, too.

Mr. Broadbent: Yes, they are there as well.

Mr. Stafford: Tell us about yours.

Mr. Broadbent: The witticism of the evening! It was not even from the hon. member from Hamilton; it was the hon. member for Elgin, that distinguished jurist who is now an economist. If ever an example were needed of the business and financial sensitivity of the Liberal party, we see it here tonight. They say they will cut taxes payable by the corporate sector to the extent of —what is it, $125 million?

They say this will be a wonderful thing for the economy. But they have not presented a shred of economic analysis in support of this view. They cannot cite any economist in this country or in the western world who would support the ludicrous statement made by a minister of the Crown a few minutes ago to the effect that this money is being sensibly spent. If the minister wishes to learn something about tax policy which will stimulate the economy, he should go to Norway, to Sweden or to West Germany.

Some hon. Members: Oh, oh!

Mr. Broadbent: All these countries have had growth rates in the past 15 years which exceed the growth rate here. All of them have unemployment rates not above 3 per cent. The unemployment rate in West Germany is .5 per cent. I would remind hon. members that West Germany is governed by a social democratic party. Germany has imported two million foreigners to work there because the economy is being run so efficiently.

[Mr. Saltsman.]

Japan, which was visited recently by a minister of the Crown, is by no means governed by a social democratic party but it is governed by a party which believes that economic planning is necessary, a party which believes it is important to control foreign investment and to determine which sectors of the economy should receive tax stimulus and which should not. It is a basic but sad fact of history that the party which has governed this country for most of the years since the Second World War should claim it has real insight into the management of a sophisticated, modern economy.

The only reason our economy has been relatively successful, and it has, is that there has been a powerful growth of the total North American economy, generated in the main by the country to the south of us, and there have been some fortunate spin-off effects. Unless the government smartens up and begins to use taxation policy in an entirely different way from the approach it has been taking up till now, we can expect that our economy, which is already slipping vis-à-vis those of the countries I mentioned earlier, will get much worse.

The kind of clause we see before us, which simply throws $125 million to the corporate sector in the hope that inevitably the party opposite will get a substantial donation to party funds in the forthcoming election, is an absolute disgrace.

Clause agreed to: Yeas, 39; nays, 12.

On clause 3—*Reduction of refundable dividend tax on hand.*

Mr. Saltsman: Mr. Chairman, I think we should ask the Minister of State for an explanation of clause 3. The language does not make it very clear.

Mr. Mahoney: Clause 3 is a consequential amendment which reduces the tax refundable to a private corporation on its investment income to reflect the 7 per cent reduction in its corporate tax. The hon. member will recall from his intense study of the tax reform legislation that private corporations only pay an effective tax rate of 25 per cent on their investment income. This is accomplished by having them pay the basic rate of 50 per cent under section 123 when they earn the income and then refunding 25 per cent to them under section 129 when they distribute the investment income to shareholders. Since the basic corporate tax under section 123 is being reduced by 7 per cent, the tax refundable under section 129 must also be reduced by the same percentage, that is, from 100 per cent to 93 per cent.

Clause agreed to.

On clause 4—*Reduction of refundable capital gains tax on hand.*

Mr. Saltsman: Could the minister provide us with an explanation of this clause as well?

Mr. Mahoney: The explanation here is precisely the explanation just given in respect of clause 3, except that we are speaking now about the tax refundable to a mutual fund corporation on its capital gains. This, again, has to reflect a reduction of 7 per cent of the tax deducted, but in the case we are now dealing with, the tax refundable has to be reduced by 8.75 per cent rather than by 7 per cent because the federal government does not retain any of its share of the corporate tax on such gains; there is a full flow-through of capital gains tax on capital gains of mutual funds through the mutual fund itself to the unit holders.

Clause agreed to.

• (2110)

On clause 5—

Mr. Saltsman: Mr. Chairman, I would repeat my previous request that the minister give an explanation of this clause.

Mr. Mahoney: Mr. Chairman, this clause modifies paragraph 51 of the income tax application rules so that the 7 per cent tax reduction will properly apply to a 1972 taxation year that began before July, 1971. Paragraph 51 provides a general rule for computing a corporation's tax payable for the 1972 taxation year where that taxation year falls partly in 1971 and partly in 1972. The technical amendment in this clause was necessary so that the 7 per cent corporate tax reduction would take effect on June 30, 1971, if we were dealing with a corporation's 1972 taxation year which overlapped June 30, 1971; for example, a 12-month taxation year ending March 31, 1972.

I might say, in anticipation of a question on the next clause, that clause 6 makes precisely the same change for co-operatives which also have a special rule for the computation of their tax for the 1972 taxation year.

Clause agreed to.

Clause 6 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read the third time? Now, by leave?

Some hon. Members: Agreed.

Mr. Mahoney (for the Minister of Finance) moved the third reading of the bill.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I do not intend to reiterate what I said either on second reading or in committee. I think we made our position quite clear on this bill and anything now said would be in addition, either by way of extended comment or by way of comment in support of referral back of any particular clause to committee, would be anti-climactic and I do not think would serve any useful purpose.

We regret that the government has seen fit to take the position it has with regard to clause 1. Nevertheless, we are caught, with the Income Tax Act as it is, with a flat exemption, and the errors that existed will be perpetuated. I am also sorry the thrust of this tax reduction in the personal income tax sector has been not concentrated upon the medium and lower income earners rather than granting a 3 per cent reduction across the board. As far as the corporation tax is concerned, I think it unfortunate that this is limited to 18 months. I do not think a one-year exemption as provided by the bill or a 3 per cent reduction is sufficient to do anything really worth while. However, it is some very light measure of relief and to that extent we support it.

We have supported the bill generally and I shall not object to its passage, though it is an extremely poor, niggardly bill.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to move:

That Bill C-169 be not now read a third time but that it be referred back to committee of the whole House for the purpose of reconsidering clause 2 thereof.

I should like to explain briefly the reasoning behind this motion which follows directly from what I said a few minutes ago.

The Acting Speaker (Mr. Laniel): Order, please. If the hon. member will excuse me, I think the motion should be put to the House at this time. The hon. member for Oshawa-Whitby (Mr. Broadbent) seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), moves:

That Bill C-169 be not now read a third time but that it be referred back to committee of the whole House for the purpose of reconsidering clause 2 thereof.

Mr. Broadbent: As I was starting to say a minute ago, Mr. Speaker, the reason I am moving this motion is that the minister of the Crown has failed completely to justify the corporate tax giveaway provided in clause 2 of this bill. He has shown no reason whatsoever why the taxpayers of Canada should be subsidizing the corporate sector by this kind of tax reduction. I did try to make it clear that this party, in contrast to what the hon. member for Edmonton West (Mr. Lambert) suggested earlier, was not at all opposed to the provision of a corporate tax reduction. In fact, we would support a corporate tax reduction at this time if the government tried to relate it to the generation of new employment.

I suggested earlier this afternoon that this might have been done in one of two ways. First, by an across-the-board tax reduction applying to all sectors of the economy, such as the service sector, manufacturing and resource sectors alike, provided that a corporation in any one of those sectors showed at the end of the fiscal year that it had increased the number of employees working for it. We would then have seen a direct benefit to the economy. Such a proposal would have been a little more complicated than what I am now suggesting, but at least there would have been some reason for making a connection between a tax benefit and employment, instead of supporting a tax cut that bore no relation whatsoever to a firm's capacity to generate new jobs.

The second approach I suggested which would warrant a tax reduction in the corporate sector would be to make the reduction exclusive to the service and manufacturing sectors of the economy. The reason for that is the one

advanced by many economists and others in the country, namely, that the service and manufacturing sectors employ many more people per investment dollar than does the resource sector. Therefore, if we are to use tax policy as a means of generating employment one could at least see some plausible connection between a tax reduction at this time and the creation of employment.

It is precisely because clause 2 of the government's measure does not in any way show a plausible connection between the tax reduction and job creation that we cannot support it. This motion is therefore intended to send the bill back to committee at which time we would attempt to make the kind of amendment I have just outlined. It would be designed to reflect a serious attempt to institute a tax policy under which we could reduce taxes for industries in which jobs would result from such tax cuts, and we would not reduce taxes for the entire corporate sector at the expense of the people of this country merely to create a kind of welfare state for the corporate sector only.

• (2120)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, the Minister of State (Mr. Mahoney) who is piloting this bill through the House surprises me. Having listened to him and to his argument, I conclude that he expects us to believe that the bill before us will keep the economy afloat. He implies that bills such as this have kept the economy on a paying basis for a number of years, that they have kept the economy growing and that, therefore, we are dealing with a major piece of legislation to end unemployment. At the same time, it has not been given the billing that the winter works program, the Opportunities for Youth program or other programs have been given.

If the minister is right in his assertion that the reduction in tax will bring about all the benefits he suggests it will, then I am surprised that this bill has not been built up more by the Liberal party. Surely it could become one of their main election planks. Here is a measure which will permit industry to expand and unemployment to decrease, and it will cost only several million dollars.

There are differences of opinion as to what the 7 per cent corporate tax reduction will cost the treasury. The former minister of finance, now Minister of National Defence (Mr. Benson) said as reported on page 8691 of *Hansard* for October 4, 1971:

> The expenditure programs I have described are designed and will be administered in such a way as to have the earliest possible impact. The corporate tax cut is expected to result in a reduction of federal revenues of $160 million in fiscal year 1971-72, and a reduction of $175 million in fiscal year 1972-73. The cut in personal taxes is expected to reduce federal revenues by $125 million in fiscal year 1971-72 and by $225 million in fiscal year 1972-73.

He indicated that these cuts would cost the treasury of Canada approximately $1,000 million. That kind of expenditure should be given much more prominent billing. If the government thinks this piece of legislation will accomplish what it is supposed to accomplish, one would expect the government to give it much more prominent billing.

I know that many industries in this country are asking for tax reductions. I come from a resource area. If you reduce taxes for resource industries, you will find that not one extra job will be created and not one extra pound of metal will be taken out of the ground. Inco, one of the largest mining companies in the world and certainly one of the largest in Canada, has been given its share of reduction in taxes over the past six months. During the past six months there have been massive lay-offs in that company. Many lay-offs are contemplated for the forthcoming year. Clearly, tax cuts have done nothing in that resource area. The same is true of the copper industry; there have been lay-offs there, too. Tax cuts have not produced extra employment in that industry.

Some hon. Members: Hear, hear!

Mr. Peters: Silver is a valuable commodity mined in my area. Silver mines are entitled to their share of corporate tax cuts. That industry has almost totally closed down. The fault lies largely with price of silver. Clearly, a 7 per cent tax cut in that area will not produce jobs. The same is true of the forest products industry, another large resource industry. For six months we have been dangling this carrot in front of that industry. Yet it is safe to say that there have been few periods in Canada's history when there have been more bankruptcies in that basic industry than in the past six months, particularly in northern Ontario and northern Quebec where we need many jobs.

The minister suggested that tax cuts have been used as a carrot, so to speak, to bring about employment in resource industries and induce expansion generally in the industrial sector. If this method works, if tax cuts will bring about increased production of certain commodities, I would agree with him. He suggested that if you reduce the cost of producing a certain commodity, more of that commodity will be produced. I agree with him. Nevertheless, Mr. Speaker, the government's policy does not work. It has not worked in the industries I have mentioned. It has not worked in iron, and I will bet it has not worked in oil although I am not sure about the oil industry. I have heard members representing oil industry constituencies crying of the need for larger contracts with the United States. That shows that sales perhaps are not as great as anticipated. The carrot technique is not helping these industries.

Other factors have influenced considerably our failure to make sales. The hon. member for Waterloo (Mr. Saltsman) referred to some factors. Since we have not sold as much as we expected to sell, I suggest that the government has put the cart before the horse. For instance, in the last 18 months over half a million people in Canada have not had enough money to buy anything except the bare necessities of life. They have been getting unemployment insurance, welfare and subsistence allowances. People like that are not in the market to buy. Therefore, the subsidies which the government is making available in the form of corporate tax cuts will not produce the results that are hoped for.

Anyone looking at the rest of the world will find that Canada's position is unenviable. Too much of our gross national product is derived from raw resource materials. These must be sold on international markets and we are finding it increasingly difficult to sell our raw materials at competitive prices on world markets. One must include

not only products such as I have already mentioned but also agricultural products. Certainly, we are selling a great deal of wheat on international markets. But Mr. Speaker, having talked to agricultural producers, I understand that the Wheat Board is selling our wheat for less than its cost of production. Clearly, reducing corporate taxes will not help that industry and will not produce jobs in other resource industries.

In some industries we have been fortunate. I suggest, however, that the $125 million the treasury saved in the past six months would have been better spent if used to find markets for Canadian goods. People I have talked to say they are interested in seeing government money assist in the development of new industry. They want to see the government participate in and operate certain industries. People are fed up with seeing $100 million spent in this field and $100 million in that on stopgap programs that bring no lasting result.

• (2130)

We had a stopgap program in respect of winter works. I am sure if we had sat down and thoroughly discussed it, we could have come up with a much more productive program. We spent $150 million on that program with no lasting results. If we had spent $150 million for the benefit of certain industries in some of the disadvantaged areas in Canada, we would have helped a large number of people and this would have had a cumulative effect. It would have provided jobs for many more who would be directly involved in the particular industry being subsidized.

To those members who say this provision is an inducement to industry, I say that unless they can show that it has produced more jobs in the direction in which it was aimed they will find that the loss to the Canadian taxpayer in respect of the companies which in my opinion did not need any tax concession will far outweight the few industries which will obtain legitimate benefit from this measure and in the end produce employment for people in their industries and the service industries surrounding them.

In respect of the 3 per cent reduction that is allowed the general public, it would seem there are many better ways to provide a fair and reasonable tax concession. People who write to me are interested in the personal exemption being raised to a reasonable level. The amount of $2,500 for a single person and $4,500 for a married person has been suggested. Some of my colleagues have suggested that the amounts be $2,000 and $4,000. We presented amendments to this effect when the income tax changes were before us. In this case, however, the concession in respect of the personal exemption is negligible at the low end of the scale. Any hon. member who has looked at his tax form for last year will know that 3 per cent at the level of his stipend will be quite advantageous to him. When one is paying income tax of $5,000, 3 per cent is quite an important factor. The average worker, however, who pays less than $300 will find that 3 per cent of that amount is not much help to him and is not much of a concession by the government. We give to those who have and wave at those who do not.

It seems to me that the government is giving a concession which will really not produce the result the minister suggests. The government has had six months in which to operate this piece of legislation: I believe it was implemented under the budget which was introduced last October. It has been in effect since then and, obviously, if you give a concession of 7 per cent on the tax a corporation has to pay it represents a large amount of money for a large number of companies. I suggest that if this is so, the results of that program should be evident and should be the subject of a calculation as to the number of jobs it has produced and its ability to keep companies in operation.

I think of some companies which recently have gone out of business. One is the company across the river. The 7 per cent did not keep it in business. Then there is the pulp mill in Timiskaming. It did not keep it in business. It did not make it any easier for the Spruce Falls company to keep its employees all year; they are suffering lay-offs at the present time. I believe every member here can think of a corporation in his area, particularly the large United States corporations, from which we did not derive any benefit because of the tax reduction which we provided but who have been adversely affected by outside influences which the minister ought to be looking into rather than making tax concessions. I believe the government could have distributed this thousand million dollars in a way that jobs were created and companies encouraged to go into production in a variety of fields. Rather than that, we are giving hand-outs to those who do not need them.

Mr. John Burton (Regina East): Mr. Speaker, I shall speak for only two minutes simply to indicate that this bill is a piece of ludicrous nonsense and that the Liberal government is about six months behind the times. This bill implements and embodies the budget measures announced last October by the late minister of finance who has now gone to a better resting place. When the Liberal government was in a panic in respect of the unemployment situation, it knew it was in a desperate position and had to do something. The government announced that it intended to introduce these tax cuts, a 7 per cent tax cut for corporations and a 3 per cent tax cut for individuals. They even embodie some inequities.

I want to draw to the attention of the House that when that measure was announced last October we had something of a levelling-off and in some cases even a drop in corporation profits. This no longer is the case. Today there is a sharp increase in corporation profits. The pattern today is for a sharp rise in corporation profits in 1972. These corporations will have the benefit of these tax cuts in a year when profits are rising sharply. I predict this will have an adverse effect on the economy before the year is out. The corporations will even have the benefit of capital gains during the year. There will be tax benefits accruing to these corporations. I believe, as this bill demonstrates, that the government is behind the times and the Canadian people know it.

The Acting Speaker (Mr. Laniel): Order, please. Is the House ready for the question.

Some hon. Members: Question.

Division

The Acting Speaker (Mr. Laniel): The question is on the amendment to the motion. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The House divided on the amendment (Mr. Broadbent) which was negatived on the following division:

• (2140)

(Division No. 7)

YEAS

Messrs:

Beaudoin
Blackburn
Broadbent
Burton
Dionne
Gauthier
Gilbert
Godin
Harding
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
MacInnis (Mrs.)
Nystrom
Orlikow
Peters
Rondeau
Rose
Rowland
Saltsman
Skoberg—20.

NAYS

Messrs:

Allmand
Andras
Béchard
Bell
Blair
Breau
Buchanan
Clermont
Comtois
Corriveau
Crossman
Davis
Deachman
De Bané
Downey
Dupras
Éthier
Faulkner
Flemming
Forget
Forrestall
Gibson
Gillespie
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Gundlock
Hogarth
Howard (Okanagan Boundary)
Howe
Hymmen
Isabelle
Jerome
Lachance
Lajoie
Lambert (Edmonton West)
Lang (Saskatoon-Humboldt)
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lind
MacInnis (Cape Breton-East Richmond)
MacLean
Macquarrie
McCleave
McCutcheon
McKinley
McQuaid
Mahoney
Major
Marceau
Mazankowski
Murphy
Noël
Nowlan
O'Connell
Olson
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Ritchie
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Serré
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanbury
Sulatycky
Sullivan
Trudel
Turner (London East)
Wahn
Watson
Whelan
Whiting
Yanakis—88.

[The Acting Speaker (Mr. Laniel).]

Mr. Speaker: I declare the motion lost.

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AFFAIRS—REQUEST FOR REPRESENTATIONS ON BEHALF OF OPPRESSED UKRAINIANS—EFFECTIVENESS OF CANADIAN ACTION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on March 2 I asked the Secretary of State for External Affairs (Mr. Sharp) what action he and the government contemplated following presentation to him by the Ukrainian Canadian Committee of a very important petition. This group of highly responsible and thoughtful Canadians had alleged widespread arrests of Ukrainian intellectuals by the governing authorities of the Soviet Union. I asked if the minister or the government had made any representations to the Soviet government concerning this very serious allegation. I also asked if the government of Canada planned to seek an investigation by any international body concerned with human rights and fundamental freedoms.

Whether the minister's reply brought satisfaction to the Ukrainian Canadian Committee or not, I cannot say. I can only observe that it impressed me as something less than convincing. The minister's observation that he had had a discussion with the committee was not news. That they had left the matter with him was also a subject in the common domain. But when on a supplemental I asked if the minister's non-reply indicated that the government had not found an effective way of dealing with the problem, he moved on to talk, not about Ukrainian intellectuals but the reuniting of Jewish families who were being oppressed throughout the world.

Why the sudden change of subject? Why the reluctance to advise the Ukrainian Canadian Committee and the House about the follow-through on this grave allegation? I have always welcomed the diminution of cold war tensions and increased contacts between the governments and people of countries once estranged. But if the era of

good will does not allow for exchange of views and inquiries such as this, what does it mean? What is its value?

• (2210)

I hope that we shall get some forthright replies. I hope that Moscow and Ottawa will not just proclaim closer contacts, but use them. The minister often tells us, sometimes self-righteously it seems to me, that we are dedicated to the pursuit of freedom and liberty for all. Here is a chance to do more than preach. Let us take up these matters seriously and seek a reply from the Soviet Union. If we demur from asking, our inflow of information will naturally be limited. In the absence of information we cannot begin to be helpful on the issue.

The Prime Minister (Mr. Trudeau) did not hesitate to make gratuitous and reprehensible public comments about the United States when he was in Russia. Perhaps his government and its ministers will in this instance not hesitate to make use of our cordial diplomatic contacts with the Soviet Union to pursue full and serious inquiries on the matter brought so forcefully and so sincerely to the minister's attention.

Mr. Gaston Isabelle (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the government fully sympathizes with the views expressed on this issue by many Canadians. However, given the precepts of international law regarding intervention in the internal affairs of another state, direct representations to the Soviet authorities or to any international body might only provoke a negative reaction from the Soviet authorities and could very easily bring about results opposite to those desired.

During his visit to the Soviet Union, the Prime Minister (Mr. Trudeau) nevertheless raised similar and related matters with Mr. Kosygin on humanitarian and compassionate grounds. During Mr. Kosygin's visit to Ottawa, these issues were raised again both by the Prime Minister and by the Committee on External Affairs and National Defence of this House. I am confident that the Soviet authorities are now fully aware of our position.

The persistent and quiet diplomatic means we have used in relation to these issues have produced some results. As the Secretary of State for External Affairs (Mr. Sharp) has stated in this House, the Canadian government has been more effective in reuniting Jewish families than any other government in the world. As far as the arrested Ukrainian intellectuals are concerned, it would seem appropriate under the circumstances to use such techniques as we have found successful on related matters.

Sensitive issues between states can be broached only in an atmosphere of mutual confidence and trust if negative reactions are to be avoided. The government believes that Canada has to a certain extent been successful in achieving such an atmosphere vis-à-vis the Soviet Union.

[*Translation*]

And the government of Canada, Mr. Speaker, intends indeed to keep on using advanced methods, be they suggested by the private or public sector, to assist in the solution of problems such as those raised by the hon. member for Hillsborough.

[*English*]

CANADIAN NATIONAL RAILWAYS—RETIRED EMPLOYEES' PENSIONS—REQUEST FOR ANNUAL ESCALATION AND CHANGE IN BASIS OF CALCULATION—REPRESENTATIONS BY MINISTER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Tuesday, February 29, as reported at page 360 of *Hansard*, I put this question to the Minister of Transport (Mr. Jamieson):

In view of mounting concern with respect to Canadian National pensions, including both the need for the pensions of those already retired to be escalated annually, and the need to calculate Canadian national pensions on the basis of a factor of 2 per cent per year of service, will the minister make renewed representations to the Canadian National concerning these two matters?

The reply of the minister was that he would be glad to do so, whereupon I asked him a supplementary question in connection with how he was getting along with the Canadian Pacific Railway in regard to pensions. I received no answer to that question so perhaps we will deal with the CPR on another occasion.

Then on Friday, March 10, as reported in *Hansard* at page 713, I put another question to the Minister of Transport in these terms:

In view of the fact that Air Canada is now computing the pensions of all its employees on the basis of 2 per cent for each year of service, will the minister ask Canadian National Railways when it will take similar action and raise the basis of its pension plan from 1½ per cent to 2 per cent?

The minister was good enough to reply that he would direct this question to the Canadian National and that he would pass the reply to me when it was received. There really is not much more I want to place before the House tonight by way of argument than the points set out in the questions I have read from the record. There is a great deal of feeling among Canadian National employees and pensioners concerning the pension situation. There are many improvements which they feel should be made, but the two main ones are those I suggested in my question of February 29, namely, the need to provide for the escalation of the pensions of those already retired to take place every year instead of just once, as has been the case thus far, and the need to put the basis for the calculating of Canadian National pensions on a 2 per cent factor, as is the case with so many other pension plans.

In my question of March 10 I made an allusion, which I think is terribly important in this whole situation, to the fact that Air Canada, which is owned by Canadian National Railways, does have a pension plan under which its employees get 2 per cent credit for each year of service. It does seem quite inconsistent, when Air Canada provides a 2 per cent factor, for the Canadian National, which as I say owns Air Canada, to provide only a 1½ per cent factor for the calculation of its pensions.

So, Mr. Speaker, I raise these two questions again tonight, an annual escalation and the establishing of a 2 per cent factor, because they are of intense concern to the people affected and because they feel, as I do, that it is time for action on both of these issues.

Mr. Ian Watson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I wish to respond to the matter raised by the hon. member for Winnipeg North

Centre (Mr. Knowles) on behalf of my colleague the Parliamentary Secretary to the Minister of Transport (Mr. Duquet) who is unable to be here tonight.

All hon. members are aware of the continuing efforts that the hon. member for Winnipeg North Centre has made and is making, as well as the work of the Standing Committee on Transport and Communications, to bring about changes which would better the position of Canadian National pensioners. Members of all political parties in this House have over the past number of years made very strong representations to the Minister of Transport on behalf of these pensioners. I have a volume of correspondence in my own files on this subject. I also have a number of CN pensioners in my constituency and I, along with other hon. members of the House, have made strong representations to the minister and they have been passed on to the CNR.

• (2220)

Some progress has been achieved as a result of these efforts. The Minister of Transport (Mr. Jamieson) made a statement about a year ago at this time of year and informed the House of certain major contributions made by CNR in this respect. The statement made approximately one year ago covered a wide range of CNR pensioners, their widows and survivors. The measures which were announced implemented most of the recommendations of the standing committee's report.

I agree, however, that there is need for further consideration on the part of CNR. Certainly there is no lack of sympathy on my part and on the part of the minister. If we cannot budge the CNR except by some form of legislation, I hope that some day the minister will consider that as a final resort. I am speaking as an individual Member of Parliament in that regard and not for the minister.

The minister has assured me, as he has assured the hon. member for Winnipeg North Centre, that he is making the strongest representations to the CNR and he has asked me, in my capacity as speaking for his parliamentary secretary, to inform the hon. member that he is continuing his discussions with the CNR and that he will give every possible consideration to the representations which the hon. member for Winnipeg North Centre made to him on February 29 and on March 10.

[*Translation*]

UNEMPLOYMENT INSURANCE—DELAY IN PAYMENT OF BENEFITS—POSSIBLE DECENTRALIZATION OF SERVICES FROM MONTREAL

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, on March 7, I put the following question to the Prime Minister:

> Since this situation is becoming increasingly worse because a great number of unemployed must wait five, six or even ten weeks, especially in Quebec, before drawing their first cheque of unemployment insurance benefits, can the Prime Minister tell us whether his government intends to improve those conditions in the very near future?

And the Parliamentary Secretary to the Minister of manpower and Immigration (Mr. Perrault) who was answering for the Unemployment Insurance Commission, stated, and I quote:

> [Mr. Watson.]
>
> If there are cases of what is alleged to be an inordinate delay these will be investigated immediately,—

Mr. Speaker, in my opinion the Parliamentary Secretary to the Minister of Manpower and Immigration has misled the House by his prepostorous comments.

Since January I am swamped by a flow of unemployment insurance cases. I am aware that this new legislation was very poorly explained to the public. I understand, and the Parliamentary Secretary should understand it also, that this is not the proper time to make inquiries to see what is wrong. It is time rather to seek a settlement of this most unfortunate situation.

In my view, there are three main reasons for those delays. Everywhere, on television, on radio and in newspapers, everyone was told: You will receive weekly unemployment insurance benefits of $100 the new plan is completely improved, the government is going modern, it is thinking of you, and other things along those lines.

Such announcements put the people to sleep, and when they wake up they realize that they have had a bad dream.

I would now like to call the attention of the House to a telegram that I received from the provincial member of the constituency of Wolfe, on March 15, 1972, and I quote:

> My Dear Léonel:
>
> Re: Raymond Béliveau Stratford
>
> Received nothing for 16 weeks STOP Henri Poulin Garthby. Mr. Poulin stopped work in early December and has not received anything since last week STOP Family man, children, great hardship, brought before the court for non-payment of bills . . .
>
> Those are but a few of the numerous cases that exist in the riding, people who should receive unemployment benefits STOP I tried to help them by making representations on behalf of these people but to no avail STOP I hope that you may be able to see to it that the fine talk about unemployment benefits one hears on television is implemented so that these people will receive what they are entitled to. Thank you for your co-operation.
>
> René Lavoie, member for Wolfe

Similar cases, Mr. Speaker, around Sherbrooke are a common occurrence, they come up every day, even three, four, five and even ten times a day.

The answer that thousands of unemployed receive when cheques are delayed indefinitely, is this: Sir, we are waiting to hear from Montreal. Sir, your file has been lost. Sir, we have mislaid your file. Sir, we think you are not entitled to unemployment benefits.

Mr. Speaker, I should like the hon. parliamentary secretary to the Minister to tell us if that is what those people will use to buy food, fuel oil and survive this winter.

It is a great pity that the unemployed do not receive their benefits and have to go to welfare offices to beg for their pittance in order to survive, because that is too complicated in Montreal and machines are not doing the required work, etc.

Mr. Speaker, on Thursday March 16 I asked the minister of Manpower and Immigration (Mr. Mackasey) the following question:

> A few days ago, in the minister's absence, due to circumstances beyond his control I am sure, I pointed out to his parliamentary secretary that a very difficult situation had developed in the Unemployment Insurance regional office in Sherbrooke, namely that the number of employees had been increased by about 25 or 30 per cent on the same premises, and that service to the unem-

ployed was thus greatly reduced, since many of them had been waiting eight or ten weeks now to get their unemployment insurance cheques. Is the inquiry over now and can the hon. minister tell us whether something is being done in order to improve that situation?

To which the Minister replied as follows:

Mr. Speaker, I must admit that the allegation regarding any slowness in the unemployment insurance office in Sherbrooke has not come to my attention, but I will look at it as soon as possible and report to the hon. gentleman.

There again, Mr. Speaker, I believe that this government's left hand does not know what its right hand is doing. The parliamentary secretary told me he would look into the matter and ten days later there are still unemployed people waiting for their cheques and no inquiry has been initiated as yet.

That is why I say that this is not the time for inquiries, but for improvements, for telling the truth about the Unemployment Insurance Act and refraining from "electioneering", promising Canadians pie in the sky.

Before a legislation is enacted, I suggest it should be seen to that administrative services required to meet demands under the legislation be set up.

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the kindest thing that can be said about the hon. member's remarks is that they are short on facts and long on emotional appeal not based on fact. The hon. member, despite the comments in the House the other day, has yet to contact me personally in respect of any of these so-called delay cases. Unfortunately he was not in the House the other evening, March 14, when we undertook an investigation of the situation at Sherbrooke at the instigation of one hon. member. We were advised by the Unemployment Insurance Commission that between January 24 and March 14 the hon. member had submitted to the Sherbrooke office a grand total of 132 cases, not 450. In any event, as of March 10, 1972, the Sherbrooke office was in the process of answering only 19 cases submitted by the hon. member for Lotbinière (Mr. Fortin). This hon. member had been interested in the list he had at that time at the local office.

I hope some hon. members will not try to seize upon this issue of alleged delays in unemployment insurance benefits in order to make some sort of political capital out of it—

Mr. Beaudoin: You do this, rather than me.

Mr. Perrault: —because that is trafficking in human misery. There were some delays identified in January and February because of systems problems. These amounted to about 5,000 cases. These cases have long ago been corrected. We have no significant backlog in unemployment insurance operations in this country.

• (2230)

There will always be some cases delayed initially because information is not available from the claimant or his employer, or there are administrative errors; but this amounts to less than 2 per cent of new claims and less than two-tenths of one per cent of current claims. There is constant monitoring going on throughout the system and in all offices to ensure that claims are processed as speedily as possible, and there are quality assurance controls to keep the number of errors to an absolute minimum. Even though people complain of computers, there have been no major breakdowns in our five computer systems and no major delays caused by equipment breakdowns. Our greatest difficulty has been with the manual pay system which was designed as a short-term, interim system in the introduction of the new act.

Finally, one should look at the good points of the program. The benefits paid in December, 1971, were 70 per cent higher than in 1970; the number of weeks paid were 13 per cent higher and the average weekly payments were 50 per cent higher. In the month of January, for example, $130 million was paid out to the unemployed people of Canada from coast to coast, thousands in the province of Quebec, most of them paid on time. In January of 1971, $85 million was paid out and in 1972 fewer people were unemployed than in 1971.

Let us not forget, Mr. Speaker, that there are human beings working in the unemployment insurance and when we hear these statements about callous, indifferent unemployment insurance staff we are attacking a substantial number of people in the work force of this country who are doing a dedicated job and working overtime every week in order to give service to this hon. member's constituents and thousands of other people in the country. I resent very much the kind of attack made in the House tonight about people who are 16 weeks late receiving payments. Let the hon. member bring his list to the House instead of standing up every day attacking unemployment insurance and making this inaccurate, emotional appeal.

Motion agreed to and the House adjourned at 10.34 p.m.

HOUSE OF COMMONS

Tuesday, March 21, 1972

The House met at 2 p.m.

PRIVILEGE

MR. KNOWLES (WINNIPEG NORTH CENTRE)—INCORRECT ANSWER TO WRITTEN QUESTION NO. 27

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise briefly on a question of privilege. In the answer to my written question No. 27, which appears in yesterday's *Hansard* at page 949, there is a rather substantial error. The number of persons listed as receiving the full amount of the guaranteed income supplement is shown as a little over 110,000, whereas the figure should be over 484,000. The department has admitted to me that there is a mistake and has assured me that a corrected reply will be forthcoming in a day or two. I trust, therefore, that anyone interested in these statistics will wait for the corrected reply.

ROUTINE PROCEEDINGS

LABOUR, MANPOWER AND IMMIGRATION

[*Translation*]

First report of Standing Committee on Labour, Manpower and Immigration—Mr. Portelance.

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

* * *

[*English*]

AGRICULTURE

ANNOUNCEMENT OF IMPLEMENTATION OF LIVESTOCK DIVERSION PROGRAM FOR POTATOES IN PRINCE EDWARD ISLAND

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, because of the interest that has been shown in the House in this matter, I wish to announce that the Agricultural Stabilization Board will implement tomorrow the livestock diversion program recently developed for potatoes in Prince Edward Island. In accordance with the concept of the advance payment, and as I indicated earlier in the House, those who do not wish to participate in this program can obtain possession of potatoes committed to the board by repayment of the advance. The Agricultural Stabilization Board will keep a close watch on supplies and prices, and the extent of the livestock feed program will depend upon the level of producer participation and price reaction.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I want to thank the Minister of Agriculture (Mr. Olson) for his statement and to congratulate him on acquiescing to the requests of the Prince Edward Island Federation of Agriculture, the potato committee and other interested bodies. I hope, with him, that the program he has announced will prove to be beneficial both to potato growers and to livestock feeders in Prince Edward Island and that any potatoes not diverted but bought back will also be to the advantage of the growers.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, as I understand the program undertaken by the government on behalf of potato growers, the government is taking a new approach to that followed up to now. In fact, it is a sort of combination cash payment and storage program, giving the producer the option of either taking his product out or leaving it in. As far as we are concerned, we will be prepared to assess the program when it is finished to see if it has really worked to the advantage and met the needs of the producers. In fact, in the final paragraph of his statement the minister said they will keep a close watch on the program to see how it works out.

• (1410)

On the order: Introduction of Bills.

Mr. Speaker: Introduction of bills.

Mr. Knowles (Winnipeg North Centre): Stand.

Mr. Speaker: There are ten private bills which were placed on the order paper yesterday for introduction. It was indicated by the Chair yesterday that an opportunity should be provided to study the bills from the procedural standpoint. By agreement with the hon. members concerned, no decision will be made at this time and the bills will be allowed to stand.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

POSSIBLE FURTHER FEDERAL STIMULUS AND TAX CUTS—STATEMENT ON TAX POLICY OR BUDGET BEFORE EASTER RECESS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I would like to direct a question to the Minister of Finance. In light of the pre-budget submission of the Canadian Chamber of Commerce that the economy needs further stimulation in 1972 and immediate personal and corporate tax cuts to increase demand and reduce unemployment, can the minister inform the House whether the government agrees

that further federal stimulus is required and whether the government is contemplating immediate action to reduce taxes?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I met yesterday with a committee of the council of the Canadian Chamber of Commerce. They presented me with their views on fiscal policy, monetary policy and taxation. Any response the government would make to that brief would be announced in the appropriate way at the appropriate time.

Mr. MacLean: Is it the position of the government that present government intentions in the private sector are inadequate and, if so, is the government going to develop immediately a special tax incentive to encourage expansion of business plant investment?

Mr. Speaker: Order, please. Hon. members know that from time to time I have taken exception procedurally to questions drafted in this way. When hon. members ask whether such and such is the position of the government I have the impression that perhaps hon. members are seeking an expression of opinion. I would suggest that hon. members might try to draft questions in another form. Perhaps the hon. member's question might be replied to briefly by the minister.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. member has really rephrased his question, and I would have to respond to it in the same way.

Mr. MacLean: Can the Minister of Finance inform the House whether it is his intention to make a definitive statement on government policy with regard to taxation, as requested by the Canadian Chamber of Commerce, either by itself or in the form of a budget presentation before the Easter recess?

Mr. Turner (Ottawa-Carleton): Not before the Easter recess, Mr. Speaker.

INQUIRY AS TO PRESENTATION OF BUDGET BEFORE ELECTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a supplementary question. I wonder whether the minister might be able to inform the House whether there will be a budget before the election is called, or does the government intend to conceal its financial position until late fall or not reveal it at all?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not know when the election is going to be called, and I do not know whether I should consider the 1962-63 precedent of the right hon. gentleman.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Apparently the minister has forgotten that we were defeated in the House and therefore we could not do anything unconstitutional. I now ask him, can he give an undertaking to the House that the country will not be denied a financial statement through a budget before the government goes to the country?

[Mr. MacLean.]

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will just give the right hon. gentleman the undertaking that I will be fair with the country and the House at the appropriate time.

INCREASING FOREIGN INVESTMENT IN ENERGY AND RESOURCE INDUSTRIES—GOVERNMENT POLICY

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Prime Minister a question.

An hon. Member: Don't bother. He is reading a book.

Mr. Lewis: In view of the statistics released yesterday by Statistics Canada that foreign investment in this country, mainly from the United States, reached an all-time high last year and was directed mainly to the energy and resource industries which are now about 80 per cent foreign-owned and controlled, would the Prime Minister inform the House whether such a continuing expansion of foreign ownership is consistent with the government's policy in this area at this time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government has as yet enunciated no policy limiting expansion in that area with the exception of the uranium industry, as the member knows.

FOREIGN INVESTMENT—DATE OF POLICY STATEMENT—DISCUSSION WITH PRESIDENT NIXON ON FORTHCOMING VISIT TO OTTAWA

Mr. David Lewis (York South): May I then ask the Prime Minister whether he can now tell us when parliament and the country may expect the announcement of government policy on this issue?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I have often said it is unsafe to name a date, but it is probably safe to say it will be before his own party reaches a policy on this matter.

Some hon. Members: Hear, hear!

Mr. Lewis: My party, Mr. Speaker, reached a policy quite some time ago.

An hon. Member: Which side of the waffle?

Mr. Speaker: Order, please. Now that we have had this exchange, perhaps we might allow the hon. member to ask his supplementary question.

Mr. Lewis: Mr. Speaker, may I ask the Prime Minister whether he will announce the policy on foreign ownership before the visit of the President of the United States to Ottawa on April 12, if I remember correctly, and, whether or not the announcement is made, can he say whether the question is on the agenda for discussion with the President of the United States?

Mr. Trudeau: Mr. Speaker, the first part of the question I cannot answer for the reason I stated previously, that I would not talk about a date. Therefore the date of the President's visit is known but the date of our announcement is not known. With regard to whether we will talk

about it or not, I might answer by saying the agenda has not been fixed between the two countries yet.

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INDUSTRY

UNITED STATES DISC PROGRAM—MEASURES TO COUNTER EFFECTS ON CANADIAN COMPANIES—DISCUSSION WITH PRESIDENT NIXON DURING FORTHCOMING VISIT TO OTTAWA

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the Prime Minister, Mr. Speaker. Can the Prime Minister give us some indication of the government's thinking in respect of the implementation of the DISC program, and will the Prime Minister give the House and the Canadian people some indication of the procedures and methods whereby the government will try to offset any adverse effects from this program?

Right Hon. P. E. Trudeau (Prime Minister): The Minister of Industry, Trade and Commerce has answered this question at least five times and there is nothing I can add to his answer.

Mr. Alexander: Then may I ask another supplementary. Is it the intention of the government to place this matter before the President of the United States? Acknowledging that the Prime Minister has indicated that the schedule has not been drawn up, is it the government's intention to place this very important question before the President?

Mr. Trudeau: Mr. Speaker, for the reason I just gave the agenda is not set between the two countries, but if the subject is placed on the agenda I will take the view that has been taken by the Minister of Industry, Trade and Commerce.

USE OF DISC PROGRAM BY UNITED STATES AUTO PARTS MANUFACTURERS—ACTION TO COUNTERACT EFFECTS—SHUTDOWN OF DUPLATE CORPORATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Is the minister aware that a number of United States parts producers with branch plants in Canada have already set up DISCs in the United States and, if so, has he taken any specific action to counteract the negative effect of this?

• (1420)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not aware of that and I would appreciate it if the hon. member would provide me with the information, if he has any.

Mr. Broadbent: I will be glad to do so, Mr. Speaker. Second, has the minister investigated the possibility that the recent transfer and announced shutdown of the Duplate Corporation in Windsor, Ontario, is possibly due to the fact that the Chrysler Corporation has now decided to produce its own windshield glass in the United States instead of purchasing it from Canada?

Mr. Pepin: Yes, Mr. Speaker, I am aware of that fact, but in many other instances that I could quote the opposite has taken place. Companies in the United States have decided to use parts made in Canada. So this is not a frozen situation; it keeps moving all the time, sometimes in the Canadian interest and at other times against Canadian interests.

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POLLUTION

LEVY ON OIL TANKER SHIPMENTS TO PROVIDE CONTINGENCY FUND IN CASE OF SPILLS—RESULT OF DISCUSSIONS WITH NEW BRUNSWICK PREMIER

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Transport. Would he report to the House, to the people of the Maritimes and to the oil interests on the result of his conversations yesterday with Premier Hatfield of New Brunswick?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, may I say as briefly as I can that the discussions both yesterday and this morning were, I believe, beneficial to both sides in terms of creating a greater awareness of the difficulties that we both face in this matter. There was an undertaking on my part as a result of the representations made to me this morning to propose certain alternatives which will be conveyed to Premier Hatfield by the weekend. These alternatives will maintain the objectives of the federal government but may result in some changes in the application that will accommodate his objectives as well.

Mr. Forrestall: May I ask the minister when he will tell the people of Nova Scotia about his plans, or will Premier Regan have to learn about them later? Would the minister undertake, rather than waiting for questions to be asked of him this afternoon, to inform the House at the same time as he informs Premier Hatfield of New Brunswick as to the method or procedure which the minister will propose as an alternative to the present system, because of the implications that are involved?

Mr. Jamieson: Any proposals that were made to any one province would, I assume, under normal circumstances be of national application. Under those circumstances I would see no reason for not making them available at the appropriate time but would wish to consult with Premier Hatfield on whether they would or would not cause any impediment to his own negotiations.

Mr. Forrestall: Am I to understand that the minister would not be prepared to make a statement in the House with respect to these matters prior to or at approximately the same time as he conveys these alternatives to the premier of New Brunswick?

Mr. Jamieson: No, Mr. Speaker, and I am sorry if I have misled the hon. member. What I meant to convey was that we would be making certain proposals to the premier. Incidentally, these will probably result in a further set of meetings early next week in Ottawa. Until the proposals are accepted, they are simply that, and he may have to use

these in his negotiations with private interests. Only if there is agreement would it seem logical to me to put these forward in public form.

Mr. Speaker: Order, please. The hon. member for Dauphin. Is the hon. member rising on a point of order?

Mr. Forrestall: No, Mr. Speaker, I do not know how to use points of order. I want to ask a supplementary question, but if I have to I will make it a question of privilege. I want to know what—

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Dauphin. If the hon. member says he has a point of order I will listen to him and decide if there is a breach of the Standing Orders of the House.

Mr. Forrestall: I will do it on a question of privilege, Mr. Speaker. If the implication in the responses of the Minister of Transport is that the question of oil levies imposed with respect to pollution is a matter of concern only to a very narrow region of Canada, then the implication to Nova Scotians, to the House of Commons and indeed to those interested in the industrial complex surrounding the minister's procedure with respect to the collection of these levies is not a fair one. I think he should rectify it and at least give some consideration to other parts of Canada.

Mr. Speaker: The hon. member for Dauphin.

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LABOUR CONDITIONS

UNEMPLOYMENT—INDICATION BY UNEMPLOYMENT INSURANCE COMMISSION CHAIRMAN OF SIX PER CENT RATE FOR 1972—GOVERNMENT POSITION

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the statement by the chairman of the Unemployment Insurance Commission indicating that the commission was basing its estimates on a 6 per cent unemployment rate for 1972, can the Prime Minister inform the House whether the figure of 6 per cent is the estimate of the government as a whole?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

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INDUSTRY

APPLICATION BY DOMINION AIRCRAFT CORPORATION FOR GUARANTEE OF BANK LOAN TO PRODUCE PLANE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. Has his department received an application from the Dominion Aircraft Corporation of Vancouver for a government guarantee of a bank loan of some $3 million to enable this Canadian-owned corporation to produce a STOL aircraft, the Skytrader 800, thus providing jobs for between 400 and 500 persons in the lower mainland of British Columbia? Has such an application been received, has it been acceded to, or has it been rejected?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have previously answered that question in reply to the hon. member for Peace River. I said at the time that indeed an application had been received for a general adjustment assistance program some five or six months ago, and it had been rejected on the basis that the company had no manufacturing capacity in Canada. The company came back two or three weeks ago, this time suggesting that an R. & D. program under PAIT might apply, and this is in the process of being analysed now.

Mr. Douglas: Mr. Speaker, in view of the fact this company has firm orders for some 23 airplanes, and orders held in abeyance for an additional 17 aircraft, would the minister consider this worthy of review to see whether or not this application—

Mr. Speaker: Order, please. The hon. member's supplementary question is obviously a representation to the minister.

AIRCRAFT—INQUIRY AS TO STATEMENT ON ASSISTANCE AND FINANCIAL COMMITMENT BY GOVERNMENT

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, this question is also directed to the Minister of Industry, Trade and Commerce. After the interesting statement he made in the finance committee this morning about the future of the aircraft industry, I would like to ask the minister whether we may expect a major statement about assistance to the industry, when the statement will be made, and will a substantial commitment to the industry be made?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, if my hon. friend has in mind the decision concerning the DCH7 STOL program with de Havilland, a decision is expected very soon indeed. Already certain amounts of money have been spent on that in previous years, and the question is now one of confirming or otherwise the future of this research and development program.

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AGRICULTURE

POTATOES—DIVERSION PROGRAM FOR PRINCE EDWARD ISLAND—PRICE LEVEL—POSSIBLE EXPORT SALES

Mr. David MacDonald (Egmont): Mr. Speaker, may I direct a question to the Minister of Agriculture. While welcoming the minister's announcement this afternoon relative to the diversion of potatoes for feed stock in Prince Edward Island may I say that his statement perhaps raised more questions than it answered. Can he indicate what level of price will be sought with regard to the sale of these potatoes? Also, can he indicate whether or not the Stabilization Board now has exhausted all attempts at any sales of these potatoes so far as export

markets are concerned, something he did refer to last week?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the answer to the second part of the question is no. There are some prospects that are being explored, not with the Stabilization Board as being the primary seller but being involved with companies that are in that business. So far as the first part of the question is concerned, the price will be low enough so that the potatoes can be used for livestock feed economically.

Mr. MacDonald (Egmont): When will the minister or his officials be in a position to indicate the exact price? Also, can he indicate whether or not, because of the continuing interest in possible exports and if reefer cars become available, the people presently holding contracts with the board and not wishing to sell for feed stock will be able to hold for that purpose?

Mr. Olson: They can hold for that purpose or any other purpose, the reason primarily being that they expect to get some further value out of selling their potatoes in the present market which, in Prince Edward Island, is substantially at the moment over the advance price level. I would think that the price of the potatoes for livestock feed probably would be around 15 cents per hundredweight, but I am not sure of the exact figure.

• (1430)

Mr. MacDonald (Egmont): A supplementary—

Mr. Speaker: Order, please. The hon. member will be allowed a last supplementary but we do have to try to get on with other members' questions.

Mr. MacDonald (Egmont): In order that Prince Edward Island producers may take advantage of the present higher price, I wonder if the Minister of Agriculture has conferred with the Minister of Transport to see if some further improvement can be made in the supply of reefer cars inasmuch as the CNR estimated they were still 100 short last week?

Mr. Olson: Yes, Mr. Speaker, and there has been a significant improvement even this week.

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[*Translation*]

INDUSTRY

SHOES—MEASURES TO COUNTERACT BAD EFFECTS OF IMPORTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Last week, when I called the minister's attention to the fact that excessive footwear imports could hurt Canadian producers, he replied that he was discussing this problem with the authorities of the Quebec Industry and Commerce Department.

Can he now tell the House what stage these discussions have reached?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, we are making considerable progress, as I indicated in my brief statement this morning when I presented the estimates of my department to the committee.

The gist of our program is to co-ordinate in the best possible way all federal and provincial assistance plans so as to make a larger contribution to the efficiency of this industry, both in productivity and in marketing.

I intend to make a very orderly statement of our efforts in the next few weeks, but a good part of our program is already being implemented. For instance, there are officials of my department now touring industrial plants with consultants and they are explaining these programs—

Mr. Speaker: Order, please. I regret to interrupt the minister.

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

The minister apparently wants to announce just what is going on.

Can he state whether the discussions between the federal government and Quebec authorities will finally result in control or reduction of the volume of footwear imports into this country?

Mr. Pepin: I could not guarantee that, Mr. Speaker. However, one thing is essential, that Canadian consumers should not bear the brunt of the operation and therefore the industry itself must absolutely operate at a profit, achieve efficiency in both production and distribution. That is the aim of our present efforts. I believe the population of Canada will agree with this.

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[*English*]

TRANSPORT

ATLANTIC PROVINCES—LEVEL OF INTRAREGIONAL SUBSIDY—GENERAL TRANSPORTATION POLICY

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Transport. Can the minister inform the House whether the intraregional transportation subsidy within the Atlantic region will be reduced from its present level of 17½ per cent to 15 per cent on April 1?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I understand that for very good reasons the hon. gentleman was not in the House on the day I made a speech. If he had been I do not think his response outside would have been quite as critical. I announced at that time that in fact the intraregional subsidy is not going to be reduced on April 1.

Mr. Coates: I thank the minister and I am sorry that I missed his speech. In view of the fact the subsidy is not going to be reduced, is the minister going to make some other announcement in respect of a transportation policy for the Atlantic provinces in keeping with those recom-

mendations proposed to him by the four Atlantic premiers?

Mr. Jamieson: Yes, Mr. Speaker. In the speech to which the hon. gentleman has referred I did try to indicate what progress has been made on various matters recommended by the premiers. I might suggest to the hon. member that if he would read the speech he would find some of the answers there. Within a day or two we will also be tabling the second report of the federal-provincial committee, which makes other recommendations, and I indicated that I would be prepared to implement those as well.

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POWER

JAMES BAY HYDROELECTRIC DEVELOPMENT—REQUEST FOR STATEMENT ON TERMS AND CONDITIONS FOR BUILDING OF STRUCTURES ACROSS NAVIGABLE WATERS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Transport. Last week I posed a question to the Minister of the Environment concerning the so-called James Bay project. It was near the end of the question period and the Minister of Transport interjected and time ran out. May I now ask the Minister of Transport whether he would make a statement on motions prior to the Easter recess to indicate to the House under what terms and conditions the provisions of the Navigable Waters Protection Act would apply to dams, roads, bridges, etc. going across navigable waters? I realize it would not be possible to do so during the oral question period, but I would hope the minister would make a statement on motions prior to the Easter recess.

Hon. Donald C. Jamieson (Minister of Transport): I will look into that, Mr. Speaker. If that is not possible in the compact nature of a statement on motions, I shall have all the information as well as the appropriate officers present when my estimates are considered.

JAMES BAY HYDROELECTRIC DEVELOPMENT—CONSULTATION WITH PROVINCE OF ONTARIO

Mr. W. C. Scott (Victoria-Haliburton): I have a supplementary question for the Minister of Transport, Mr. Speaker. Has the minister consulted with the province of Ontario in respect of the James Bay project and their interest in it?

Hon. Donald C. Jamieson (Minister of Transport): Not personally, Mr. Speaker, but perhaps some of my colleagues have.

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AIR TRANSPORT

LOSS OF DEPOSITS BY CUSTOMERS OF CHARTER FLIGHT INFORMATION SERVICES

Mr. John Gilbert (Broadview): May I direct a question to the Minister of Transport, Mr. Speaker. Last week I asked the minister for information concerning the business failure of an air charter firm in Toronto known as Charter Flight Information Services whereby many customers lost their deposits. The minister said he would look into the matter and report to the House.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the answer is fairly lengthy but I shall be glad to send a written reply to my hon. friend. I can say it appears that this was a matter that involved a travel agency which of itself does not come under federal jurisdiction. After the hon. member has seen the written reply I shall do my best to answer any further questions he may have.

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OIL

MEANS OF TRANSPORTATION FROM ALASKA—IMMINENCE OF UNITED STATES DECISION—REQUEST FOR STATEMENT ON CANADIAN POSITION

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of the large report issued yesterday in the United States concerning the oil pipeline alternative, and in view of the fact the United States government seems to be moving inexorably toward a decision very soon, is the government of Canada in a position to make a statement on its alternatives on this very important subject?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would add nothing to what we have previously said, that we have let the Washington government know that there is an alternative. Beyond that we have not gone out of our way to seek any presentation of alternatives, but the alternative is there.

Mr. Aiken: A great deal of interest is being evidenced in the discussions that the Prime Minister and the President will have. Does the Prime Minister expect that this subject and the subject of the Great Lakes clean-up may be brought to some conclusion during the President's visit?

Mr. Trudeau: Mr. Speaker, there again, the agenda is not set. I would hope that we are more liable to talk about the Great Lakes than we are about the pipeline.

POSSIBLE JOINT CANADIAN-AMERICAN COMPANY TO BUILD MACKENZIE VALLEY PIPELINE

Mr. Raymond Rock (Lachine): I have a supplementary question, Mr. Speaker. Are there any plans to form a joint Canadian-American company which would build an oil pipeline, and will this possibility be discussed with President Nixon next month?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, unless the Americans have such a plan that they want to discuss with me.

POLLUTION

STEPS TO ALLEVIATE CONTAMINATION OF HUMBER RIVER BY RAW SEWAGE

Mr. Walter Deakon (High Park): I have a question for the Minister of the Environment, Mr. Speaker, but in his absence perhaps the parliamentary secretary would take it as notice. In view of the excessive dumping of raw sewage by the boroughs of North York and York near the Humber River, will the government take steps to alleviate this pollution and thereby eliminate the hazards to the residents of the area?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am not aware of the problem. This is a matter that would normally fall within the jurisdiction of the province of Ontario. However, I shall look into it and if there is contravention of any federal act or regulation we will consider action.

* * *

FINANCE

POSSIBLE REDEMPTION OF THREE PER CENT PERPETUAL BONDS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Finance concerning a matter about which I wrote him on March 7. Can the minister tell the House whether the government has any immediate plans to redeem the 3 per cent perpetual bonds which are presently so clearly out of line with current bond issues and are causing considerable hardship to investors?

Mr. Speaker: Order, please. This is the kind of question which normally should be placed on the order paper. I suggest to the hon. member that questions such as this one should be placed on the order paper. The hon. member for Hamilton West.

Mr. Alexander: May I direct a question—

Mr. Speaker: I apologize to the hon. member for Hamilton West. The hon. member for Central Nova is rising on a point of order.

Mr. MacKay: My point of order is simply this, Mr. Speaker. This is the second time I have written to the minister on the matter and I have yet to receive a reply. That is why I raise the question at this time.

Hon. John N. Turner (Minister of Finance): If that is the case I apologize, Mr. Speaker, but I wanted to make sure that the hon. member got the most carefully drafted reply possible.

Inquiries of the Ministry

POST OFFICE

POSITION OF NEGOTIATIONS WITH UNIONS ON NEW CONTRACT

Mr. Lincoln M. Alexander (Hamilton West): My question is for the President of the Treasury Board, Mr. Speaker. I asked the minister last Tuesday about the negotiations being carried on with the postal unions. In view of the fact the contract is just about to expire, can the President of the Treasury Board give some indication today as to what is going on and, hopefully, indicate whether he is even more optimistic now of an early settlement than he was last Tuesday?

• (1440)

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I would refer this question to my colleague, the Postmaster General, who is better informed about this matter than I am.

Mr. Alexander: Mr. Speaker, I believe the Postmaster General heard the question and there is no need for me to be repetitious. Can the Postmaster General give some indication of the present status of the negotiations, and is he even more optimistic at this date of an early settlement than was the President of the Treasury Board last Tuesday?

Mr. Speaker: Order, please. I have some doubts about the second part of the question.

Mr. Alexander: Mr. Speaker, let us forget the second part.

Mr. Speaker: The second part is somewhat academic. Perhaps the minister might like to reply to the first part of the question.

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I do not feel that it would be in the public interest to make any comment on these negotiations now being held *in camera.*

Concerning my optimism, I may say that I am always in a good mood, and I hope that a solution will be found as soon as possible.

* * *

[*English*]

GRAIN

SUGGESTED ESTABLISHMENT OF ADDITIONAL TERMINAL ELEVATORS AT PRINCE RUPERT TO RELIEVE PRESSURE ON EXISTING EXPORT FACILITIES

Mr. Frank Howard (Skeena): Mr. Speaker, yesterday I inquired of the minister in charge of the Wheat Board about terminal grain facilities at Prince Rupert. The minister said that the Minister of Transport had the possible enlargement of those facilities under active consideration. Can the Minister of Transport set out some timetable as to when he hopes to make an announcement regarding the building of additional facilities at Prince Rupert as well as all the other questions relating to this matter?

An hon. Member: Before the election.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I do not want to be absolutely precise, but would the hon. member be satisfied if I were to make a general statement of the type he is asking about in 48 hours?

Mr. Howard (Skeena): On motions?

* * *

TAXATION

POSSIBLE REMOVAL OF MASSEY-FERGUSON OFFICES FROM CANADA BECAUSE OF NEW INCOME TAX ACT

Mr. Jack Murta (Lisgar): Mr. Speaker, may I direct a question to the Minister of Finance. Has the minister or his department had any discussion with Massey-Ferguson concerning the fact that the company may locate its offices outside Canada because of the provisions of the new tax legislation?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. There has been correspondence; there has been no discussion with me personally, although there have been discussions with my office, yes.

Mr. Murta: Is the government contemplating bringing in amendments to the tax legislation pertaining to Canadian companies that operate internationally?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that is the sort of thing which, if any change were contemplated, would be announced in the appropriate way.

Mr. Rose: Mr. Speaker, I have a supplementary question in the sense that it has to do with a Canadian firm locating outside our country.

Mr. Speaker: Order, please. The hon. member will be recognized. I doubt that his question is a supplementary, although it may be a related question. Even if it is not either a related or supplementary question, the hon. member is recognized at this moment for the purpose of asking his question.

Mr. Rose: Mr. Speaker, this shows that athletic persistence in the back row does pay off eventually.

* * *

INDUSTRY

ACTION TO AVOID CLOSING OF SKIL CORPORATION PLANT, RICHMOND, B.C.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. Is he aware of a recurring problem that started about two years ago involving the Skil Corporation plant in Richmond. The plant was going to close two years ago. I believe they delayed closure and now they are contemplating it again. Is he aware of these plans and of the possible loss of 150 jobs? If so, what is he doing about it?

[Mr. Howard (Skeena).]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, my seatmate is aware of this matter but I am not. I will consult with him and with my department and try to inform myself better on this subject. Was there a question attached to the request for information?

TRANSFER OF PRODUCTION TO UNITED STATES FOLLOWING PRESIDENT NIXON'S ECONOMIC MEASURES

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, can the minister tell the House whether the government has taken any steps to monitor the transfer of production, and consequently of jobs, that may have occurred in Canada since President Nixon's August 15 announcement? Would he make this information, if he has it, available to the House?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, we took a certain number of measures to counter the August 15 announcement by the President. One was the employment support program, on which I reported this morning in the committee. That helped to maintain about 28,000 jobs in Canada. I thought that was a pretty good reaction to those measures. I would not be able to assess in detail what has been the effect on investment intentions in the minds of manufacturers as a result of the August 15 measures, and I do not think anybody can do that.

* * *

VETERANS AFFAIRS

STEPS TO DEAL WITH BACKLOG OF PENSION APPLICATIONS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Veterans Affairs. In view of the tremendous backlog of pension applications and delays extending for quite a number of months—I realize we are getting the best co-operation and courtesy from the minister's officials—has the minister had an opportunity since taking over his new portfolio to ascertain if there is some manner in which these officials can be assisted to expedite claims a little faster?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, we now have a backlog of between 6,000 and 7,000 cases. We are doing the best we can with them. I am going to discuss with my deputy and other officials tomorrow whether there is any means by which we can hurry these claims along. I think it would be difficult to bring in new and untrained people on a temporary commission, but we will see what we can do.

* * *

HOUSING

REHABILITATION OF EXISTING HOMES—INQUIRY AS TO LEGISLATION RESPECTING LOANS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of State for Urban

Affairs. Did the minister announce in Vancouver recently, or over the weekend, a policy of government loans for the rehabilitation of existing housing stocks? If so, will he be introducing legislation to this effect in the House soon?

Mr. Speaker: Order, please. I suggest to the hon. member that the second part of the question, or only the second question, is in order and the minister will be allowed to reply to it. Possibly the hon. member will get information relating to the first part of his question in this way.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I did mention that we had an experimental program in Vancouver that was established by my predecessor in the Strathcona housing area. There was an experimental program of loans and grants to home owners to rehabilitate their homes. I said we were learning a great deal from that program.

Mr. Speaker: Order, please. That is the kind of question and answer about which there are procedural difficulties. The hon. member may ask his question directly. When he asks it as the hon. member did and obtains the sort of reply the minister gave, then the debate is over what was said outside the House. In that respect that type of question and answer is irregular.

Mr. Brewin: Mr. Speaker, I hope I am phrasing my supplementary question in the proper manner. Is it proposed to introduce legislation in the House to expand and extend the provision for loans for the rehabilitation of existing housing?

Mr. Basford: Mr. Speaker, I think that legislation will be introduced in due course, as predicted in the Speech from the Throne, and when introduced it will reveal what it deals with.

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[*Translation*]

BANKRUPTCY ACT

REGULATION ALLOWING BANKRUPTS TO USE SERVICES OF DEPARTMENTAL EMPLOYEES—REQUESTED EXTENSION TO FARMERS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, since the Minister of Consumer and Corporate Affairs is not in the House, I would like to ask his parliamentary secretary a question.

At noon we received from his department a bulletin announcing that in the future people who become insolvent will be able to seek assistance from officials of the Bankruptcy Branch to have them administer their bankruptcy.

Could the parliamentary secretary tell the House whether those who administer their own property —farmers for instance—will be able to take advantage of this new regulation?

Mr. Speaker: If the minister can answer briefly, he may do so, but normally such a question should be put on the order paper or debated at the time of adjournment.

[*English*]

CONSUMER AFFAIRS

LARGER INCREASE IN FOOD COSTS IN PRINCE EDWARD ISLAND— REFERENCE TO PRICES AND INCOMES COMMISSION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Is the minister aware of a recent study by Statistics Canada of the consumer index that reveals that the increase in foodstuff costs in Prince Edward Island is almost double or triple that of the other Maritimes centres? If he is aware of such a rapid increase in food costs in Prince Edward Island, is he referring this matter to the Prices and Incomes Commission for study?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, yes, I am aware of it and the Prices and Incomes Commission no doubt, in the general context of its mandate, is giving attention to such matters.

Mr. Speaker: The hon. member for Thunder Bay.

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CANADA LABOUR CODE

INQUIRY AS TO INTRODUCTION OF NEW BILL

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, my question is for the Minister of Labour. Can the minister tell the House how soon we may expect the revised bill to amend the Canada Labour Code, including provisions for technological change?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I hope we shall see it soon.

* * *

• (1450)

TRADE

POSSIBLE RELATIONSHIP BETWEEN DISCUSSIONS WITH UNITED STATES ON CANADIAN EXEMPTION FROM INTEREST EQUALIZATION TAX AND AUTO PACT NEGOTIATIONS

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, on Friday last the Minister of Industry, Trade and Commerce was asked this question:

> Have there been discussions with the United States government in regard to Canada's present exemption from the interest equalization tax, and are these discussions connected with the discussions concerning the auto pact?

He replied that the question should be directed to the Minister of Finance. Yesterday I directed the question to the Minister of Finance and in his reply the hon. gentleman stated that the subject came within the purview of the Minister of Industry, Trade and Commerce. My question is this: does anybody over there know what is going on, because I should like an answer to the question?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): On behalf of myself, the Minister of Finance,

the officials of my department and officials of the Department of Finance I wish to say emphatically that no such discussions took place.

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HOUSE OF COMMONS

DATE OF RESUMPTION OF SITTINGS FOLLOWING EASTER RECESS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my hon. friend has just inquired whether anyone over there knows what is going on. This is a related question, Mr. Speaker.

Some hon. Members: Order!

Mr. Speaker: Perhaps the hon. member might ask his supplementary.

Mr. Nowlan: A supplementary, Your Honour. You will notice that the President of the Privy Council is not in the chamber today. He is campaigning this week in Nova Scotia.

An hon. Member: Where is the Leader of the Opposition?

Mr. Nowlan: I should like to ask the acting leader of the House—I understand him to be the Minister of Agriculture—whether he can amplify or clarify the answer given by the President of the Privy Council on March 10 concerning the date upon which we shall be returning after the Easter recess. The hon. gentleman stated it would not be earlier than April 10, but possibly later. I should like to ask specifically whether the House will be in session after April 10 and whether it will be in session when the President of the United States comes here?

Hon. H. A. Olson (Minister of Agriculture): I will take the question as notice. The President of the Privy Council will have to consider the kind of answer he would like to give tomorrow.

Mr. Nowlan: He will be away all this week.

Mr. Turner (Ottawa-Carleton): On a point of order, Mr. Speaker. I wonder if I might draw to the attention of the hon. member for Annapolis Valley the whereabouts of his six colleagues from Newfoundland.

Some hon. Members: Oh, oh!

Mr. Nowlan: Mr. Speaker—

Mr. Speaker: Order, please. I hope we do not become involved in provincial politics.

Mr. Nowlan: On the same misguided point of order, Mr. Speaker, may I say that at least in Newfoundland an election has been called, while here there is complete confusion, indecision and vacillation about what the Prime Minister intends to do.

Some hon. Members: Oh, oh!

[Mr. Pepin.]

BUSINESS OF THE HOUSE

TIME ALLOTMENT FOR SPEECHES IN SUPPLY DEBATE

Mr. Speaker: Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker. My point of order relates to the arrangements for speeches in today's debate. I think you will find there is agreement among representatives of the parties that the first or principal speakers of all the parties shall be allowed 20 minutes and all other speakers 15 minutes, and that there shall be no extra time for anyone.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker, a few moments ago I attempted to direct a short supplementary question to the Minister of Consumer and Corporate Affairs.

Mr. Speaker: Order, please. I know the hon. member tried to ask a supplementary, but there are members who tried to ask not only supplementaries but first questions and did not have an opportunity to do so. If the question period were to be extended it might give opportunities to hon. members who rise on a number of occasions but who do not even get close to a supplementary.

Mr. MacDonald (Egmont): On the same point of order—

Mr. Speaker: The hon. member rises on another point of order?

Some hon. Members: On the same point!

Mr. MacDonald (Egmont): On the same point of order, Mr. Speaker, it strikes me there are times when some hon. members can ask many supplementaries and other times when an hon. member cannot even be allowed to ask one.

Some hon. Members: Oh, oh!

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REQUEST FOR ESTABLISHMENT OF ENVIRONMENTAL COUNCIL, NATIONAL STANDARDS GOVERNING ALL POLLUTANTS AND LOANS TO MUNICIPALITIES

Mr. Randolph Harding (Kootenay West) moved:

This House expresses the view that in order to protect and preserve our environment, immediate national standards for environmental quality must be set for air, water and land, it being clear that these standards must be set for all pollutants, that they must be enforced by the federal authorities, that low-cost loans

must be available to municipalities and to certain industries to ensure no further delay in the building of sewage treatment plants and plant clean-up, and that an Environmental Council of Canada should be established without delay.

He said: Mr. Speaker, at the outset I should like to say I have been informed that the Minister of the Environment (Mr. Davis) is ill and cannot attend the House today. We regret this, and we trust his recovery will not be long delayed.

I wish to say at the very beginning of my remarks that many more areas of concern could have been included in the motion, for there has been major neglect of environmental problems in every part of Canada over the years. Some progress has been made in this field, but on the whole the record of the federal government has been anything but good. The government had the opportunity to give real leadership in meeting the many environmental dangers facing the nation, but it has failed to meet the challenge. Instead of a national and unified approach to this Canada-wide question, we find that in the field of jurisdiction, environmental standards, control and enforcement there is more fragmentation than ever before.

At a time when the United Nations is calling for a common international outlook and direction, and stressing the need for a unified approach, this government has decided to forgo national standards. It has deliberately passed legislation which may well result in a hodge-podge of different standards from one end of Canada to the other. This short-sighted approach can only result in further delays in effectively meeting the environmental hazards confronting us.

Canada needs an integrated environmental policy. The foundation for such a policy has not been set by this government. The earth as a habitable place for human beings is in serious danger. It is evident that pollution is both widespread and serious. Resource extraction is proceeding at a ruinous rate and our earth is being rapidly overpopulated. All of this amounts to a global situation from whose effects Canada is not exempt. It is obvious that pollution, resource extraction and population are all part of the same picture. Any environmental policy, to be successful, must adopt an integrated approach to the over-all solution.

Our earth can be likened to a spaceship. It is a craft of limited carrying capacity for human beings. The basic elements supportive to life through evolution have developed into systems which constantly recirculate. Complex life-support systems have evolved in which the air, water, nutrients and energy supplies for the inhabitants of earth are normally maintained. Man is so utterly dependent on these natural processes that the policies he devises to govern his actions must ensure their maintenance if he is to survive. Unfortunately this is not being done, and in many parts of the globe there is increasing evidence that man is seriously and dangerously upsetting the balance of nature.

Most of the resources on earth are indefinitely renewable through natural cycles, but some are not. For the continuous provision of high-grade mineral supplies we will have to devise artificial cycles for recovery and re-use. For the exhaustible fossil fuels, such as coal and oil, we are developing the alternative of nuclear power, but we must take care that byproducts of heat and radiation do not defeat our purposes by destroying the natural cycles not under our control.

• (1500)

Other sources of energy must be researched and tested, for it is estimated that our resources of oil and natural gas will be pretty well used up within the next 70 or 80 years. This is a pretty sobering thought, especially when you see our present government letting these valuable energy resources go mainly to foreign corporations at fire sale prices. The lack of adequate surveys by government to protect and ensure that future Canadian needs are adequately met in all these fields is most disturbing. The over-all Canadian public interest has not been protected by this government.

Mr. Deputy Speaker: Order, please. The Chair has a little difficulty hearing the hon. member who has the floor. I would ask hon. members who are carrying on conversations to do so behind the curtains. The Chair would like to hear the hon. member.

Some hon. Members: Hear, hear!

Mr. Harding: Thank you, Mr. Speaker. This was amply demonstrated in the field of mineral fuels, which is one of our non-renewable resources. Here, we find that for the period 1965 to 1968, out of a total of $795 million in book profit, only 5.7 per cent, or $45 million, was classed as taxable income. This disgraceful tax sellout is certainly a source for additional government revenue which might well be used to assist in the clean-up of our environment.

Another disturbing aspect of the environmental problems facing us is the effect which pollution has had on a number of species of wildlife and fish, which are very much a part of our environment. Some species have already been wiped out and an increasing number of species have been reduced to the danger level. This is a clear-cut warning to mankind that many of our activities are adversely affecting the very food chains on which human life on this planet depends. This is the reason that scientists on a world-wide scale are calling for a halt to the destructive pollution of our environment which is presently taking place.

There is one more major point, Mr. Speaker, I would like to deal with briefly before mentioning some of the major environmental problems specifically facing us in Canada. No environmental policy can be effective unless population growth is taken into consideration. Many environmentalists class this as the number one problem facing us in the world today.

The human population of the earth in 1971 is expanding at the rate of 2 per cent each year. This growth rate means that the earth must provide every year for the resources required to support 70 million new individuals. This means providing new food, power, fuel, air, water, minerals, space, doctors, hospitals, teachers, schools, transportation, industrial plants, and countless other cultural resources for a population three and one half times that of the current population of Canada each year. Already there is misery and want in many of the underdeveloped

countries of the world. It is estimated that within the next 30 years the world population could double, and instead of 3.6 billion people on this earth we would then have roughly seven billion people. This means more industry, more resource use, more pollution. The strain on our environment and resources will be immense. It appears doubtful, with this staggering increase in population facing us whether we could ever appreciably increase the standard of living of those people now living in many of the underdeveloped countries in the world.

For this reason, Mr. Speaker, every country in the world, including our own, should develop a population policy. I feel Canada should initiate, through the United Nations, international conferences to promote the stabilization of the earth's population. Canada's own population must eventually be stabilized based on the carrying capacity of our environment. Investigations in relation to our per capita needs for all resources should be commenced without delay. I might add that major research on all human settlement problems is also needed immediately. This includes, of course, the increasing number of problems which we are meeting in our rapidly growing urban centres, which currently are the source of most of our severe environmental problems. Long range planning and action on these urban matters cannot be long delayed. There are many other aspects of population growth, but time does not permit me to deal too extensively with them.

Our motion indicates, Mr. Speaker, that our party is interested in the setting of national standards for environmental quality of air, water and land. These standards must be based on the biology of the receiving environment, and not on the purely arbitrary limits of what is technologically possible. If the ecological balance of natural populations or organisms is substantially altered by current technology, then I feel the offending process must be prohibited. National standards must be enforced by the federal authorities and adequate penalties must be set up to ensure compliance with the law. The setting of national standards will force a major clean-up of pollution problems throughout the nation. There is no doubt it will be costly, and for this reason the federal government should be prepared to provide vast sums of money for the over-all clean-up which must come. Low cost loans must be available to all municipalities and to some industries so that they can get on with the job of sewage treatment plants and plant clean-up without any further delay.

A pollution control fund should be established to help tackle some of the most serious and pressing problems facing us. In this category would come the clean-up of the Great Lakes system and other pollution problems which have arisen mainly due to a lack of knowledge and research over the years. The costs of pollution control, however, must be met primarily by the offending party. In some cases subsidies might be necessary, but if so the cost must be made public so the true cost of technology may be assessed. Those who break pollution laws must be liable for the full cost of clean-up, and governments should take steps to ensure that non-recyclable, throw-away consumer products should eventually be phased out by law.

Our party has spoken out on numerous occasions urging the establishment of an Environmental Council of Canada. The function of the council would be to report on environmental affairs and to give guidance to both the government and the general public on all environmental problems. It would be a non-political organization, with adequate facilities to do a thorough job in the whole field of the environment. The establishment of such a council is long overdue and would be welcomed by Canadians generally.

I indicated earlier that our group is not impressed with the record of this government's attempt to deal with our environmental problems in general. It has been a piecemeal approach at best. A number of departments still jealously guard the right to establish regulations and to dictate policy regardless of the consequences. These ministers cannot do a proper job of protecting our environment if they are constantly in conflict with the commercial and economic aspects of their own departments.

For this reason one over-all Department of the Environment should have been established and should not have been placed in conflict with any economic activity coming under its direct jurisdiction. This is one of the weaknesses of the present Department of the Environment; it has fisheries and forestry under its control. Conflicts of interest do arise. It does not control the whole field of environmental problems and for this reason will often be ineffective in solving pollution problems.

Already in this House we find that we cannot obtain full information from the various ministers on certain important environmental developments. For example, let us look at a major problem in the environmental field in Canada today. I refer to the TAPS versus the Mackenzie River pipeline routes. The public is being kept in the dark. Here we find that several departments are involved, yet no clear-cut policy or clear-cut statement has been made on the floor of this House as to what is going on in relation to the pipeline or as to what Canadians can expect to come out of it.

• (1510)

Only yesterday, a report indicated that the Americans had released a very voluminous survey which had been made of the TAPS pipeline and the Mackenzie River route. Apparently the United States has far more information, as do the general public in that country, than we in Canada. I think we in Canada are entitled to know just what is going on. What discussions are taking place? What discussions have taken place? If it is envisaged that a pipeline will come down the Mackenzie River corridor, Canadians should know. Is the pipeline being discussed in terms of a common carrier? Who will set the route? Who is going to own the pipeline? What will be the starting point of this pipeline and, when additional finds of oil are made in the Canadian north, will there be room in the pipeline to bring these resources down to the Canadian market? Some members opposite indicate that they have this knowledge. It is not general knowledge throughout Canada, and it is certainly not within the general knowledge of the members of this House.

We are interested in finding out how this pipeline will affect the natives in the north. What plans have been made to make certain that the livelihood of these people, which will be affected by any construction of this type,

will be protected? What is being done along these lines? We are also interested in having released the ecological surveys which have been made to indicate whether it is safe for the pipeline to be built. We in the New Democratic Party are very anxious to see this type of information released to this House at the earliest opportunity.

We have opposed the so-called west coast tanker route from Valdez, Alaska, to Cherry Point in the State of Washington. We think it would be disastrous if an oil tanker route were to be established along the west coast. It would be only a matter of time until a major oil spill occurred. We will then see multiplied on an immense scale the disaster which occurred within the past two or three days on the southern shore of Vancouver Island when a ship went aground and many miles of the west coast of Vancouver Island were fouled by the oil which rolled up on the shore.

I would like to make one more point about what we feel has been a lack of policy on the part of this government. We find that the large James Bay project is going ahead. The Quebec government has moved in, surveys have been made and some work has been done. Where does the federal government fit into this picture? This project is part of the over-all environmental problems of this nation but federally we stand on the sidelines because we failed to amend the Navigable Waters Protection Act. We were ineffective in moving into this area and in demanding that proper ecological surveys be made before the project was allowed to proceed. This is something we should have done in the interest of all Canadians, our environment and our resources. Any Crown corporation should justify the building of dams on any river in Canada. This is what we ask. This is what we are going to press for, and we hope to see amendments of this nature brought forward by this government.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I rise to support the motion that is before the House. I think it is obvious that any member concerned with the environment will have to support it. I hope the government will take note once again that the members of this House are vitally concerned about the lack of action in the past two or three years. It is a shame that we have to keep coming back time and again to this subject of the environment. In reply, publicly or in the House, the government says that several pieces of legislation have been passed and surely that is good enough; surely, we cannot be expected to do more. What is wrong with the government's action is twofold.

There are two basic shortcomings in the legislation that we presently have. The first is that the laws have not been passed in a planned or co-ordinated fashion. There seems to be no over-all plan into which the pieces of legislation fit. In other words, they meet a situation or a complaint in some sort of token fashion, but do not form part of a larger plan.

The second failure is that the government has not followed up what legislation it has by regulations and positive action. In these two areas, the government has suggested they have dealt with the situation. One of the failings of the present government is that it feels all that is necessary is to pass laws, get the stuff through the House. The government wants to get bills passed, accepting as few amendments as possible, so there will be some indication on the books that the government is concerned. However, that is not enough. It is not the kind of legislation we would like.

Time and again the government refers to pieces of legislation such as the creation of the Department of the Environment, the Canada Water Act and the Clean Air Act, but if you look at the results you find these acts have been completely ineffective up to the present time. When you analyse them, you find they are mainly permissive legislation and in some cases pure token legislation. To a large extent, the goals of an efficient economy and a healthy environment are not contradictory. However, the cost of restoring the health of many sectors of our environment is likely to be very high and the federal government, as the major source of financial power and the broadest forum of Canadian concern for national issues, must demonstrate more leadership in this area than it has in the past.

The government has only been successful in the areas of least resistance. It has hesitated to enter into critical areas for fear of tramping on provincial toes. This, of course, is something about which I am sensitive, coming from the province of Ontario which has a Conservative government and which, like all provincial governments, is very sensitive about its own powers and jurisdiction. In every case in which there has been a move by the federal government, co-operation has been received from the provinces. When proposals are made and plans put forward to the effect that on the Canadian scene we intend to do something about the environment, the provinces co-operate. Time and time again they have co-operated.

• (1520)

The problem is particularly prevalent in respect of the Canada Water Act and the Clean Air Act which supposedly were intended to be the greatest innovative pollution measures in Canada. They have ended up as mere pieces of rhetoric because they hinge on agreements with the provinces before any real positive action can result. As anyone knows, it is no easy matter to bring together a federal government and ten provinces in order to reach agreement. If we look at the various acts, we find there have been no positive results. The so-called national standards in the Clean Air Act apply only in two cases. They apply to any federal premises and can be enforced in the provinces only if the provinces agree.

The Canada Water Act also hinges on federal-provincial agreements. However, on many occasions I have felt extremely sorry that we have been unable to make the Canada Water Act work. From the beginning I felt, as did many others, that it was based on an entirely erroneous premise, and that the whole act would not be effective. If we look at the province of Ontario as the prime example, we find the province already is divided into areas for pollution control. It already has units dealing with pollution control. It has municipal agreements. It has river basin agreements and it has area and regional agreements. This is a pattern which is now completely set up in the province of Ontario. That province has been engaged in this work for 15 years under the Ontario Water Resources Act, but the federal government came along with the Canada Water Act and said that so far as it was

concerned it intended to divide up the area in another way.

So far as the Canada Water Act is concerned, the federal government has said it intends to insist that the matter be handled on a water basin or regional area basis. This has not worked out. There have been a number of agreements with the provinces which show some promise of future activity, but in large part there have been only studies. Studies are fine. However, the problem in respect of the program is that for the first three or four years of its existence most of the time has been spent on studies. Then, when the results of the studies are made known the government is not satisfied with them, finds they did not turn out the way they wished or decides that the studies themselves are ambiguous. Difficult decisions must be made, and yet these decisions have not been made.

Another so-called piece of pollution legislation consists of the amendments to the Canada Shipping Act regarding coastal pollution. Although this act applies to all Canadian waters, it will not be as effective off the west coast of Canada as off the east coast. There are inequities and gaps in the adoption of the regulations under this Act. My colleague, the hon. member for Halifax-Dartmouth East (Mr. Forrestall) intends to deal with this aspect later in this debate, because this is a matter which has concerned him very much, as well as others, and he has been asking questions almost daily on this particular subject.

Another thing I lay at the doorstep of this government as a failure is its inability to make hard decisions. If we look just at the great environmental issues we face at the moment, we will see that this is true. There is a great project for hydro-electric development in the James Bay area proposed by the government of Quebec. There is federal involvement because the closing of navigable waters must be approved by the federal government. There is federal involvement in respect of Indian affairs, environmental affairs and so on. Yet at the moment we have been left completely in the dark concerning where the federal government stands in respect of this project. I recognize that this is not an easy matter with which to deal. The federal government must decide now or shortly whether or not it will agree to this project.

Daily we have been asking, over a period of months now, about the federal involvement in this project and have received no answers. The only inkling we received was in a statement by Premier Bourassa of the province of Quebec. He stated he had been talking to the Prime Minister of Canada (Mr. Trudeau) about this problem recently. That came out in a news report, but the Prime Minister of Canada has not acknowledged in the House that he has even discussed or considered it. For months we have had nothing but evasive answers. We have not even had an indication that the federal government intends to take the situation seriously and say it is in favour of the project, that it is against the project or that it intends to impose certain conditions. The Prime Minister has not made his position abundantly clear to either the House or to the premier of Quebec.

There is also a decision to be made in respect of the carriage of Arctic gas and oil from Alaska to the mainland of the United States. It must either cross or come close to Canadian soil in such a way that there will be environmental danger. Yesterday the United States government indicated that a study of this project had been made. A four volume report was tabled at two o'clock yesterday, and the summary we have received is to the effect that the general report indicates there are dangers involved in both routes but that perhaps the overland route is the one that would be most satisfactory to the United States.

This report deals only with the United States. It must decide what is most advantageous for it. The report refers to security—security of the oil passage and security in respect of being able to get that oil regardless of hostile acts from within this country. This is one of the things they are thinking about. I do not know why this aspect has never been considered before. However, a good deal of the report covers the question of security of the oil lines. There seems to be some concern about whether the oil can be moved from Alaska to the United States without any interference from us. I have not seen any evidence that the government of Canada intends to hold public hearings, establish a parliamentary committee to look into the matter, or make a decision.

• (1530)

The special committee on pollution was anxious last year to look into this subject and some hearings were held but nothing final was produced because the committee did not go on a tour as they desired. Perhaps it would have been a good thing to do. In any case, no studies have been made by Canada. When on earth are we going to start, because the Americans are ready to make a decision? They are ready to grant a shipping line permit because that is the easiest and the quickest route, but so far as Canada is concerned it is probably the most dangerous. We do not know whether they are going to make such a decision within days or weeks, but certainly they are going to make it without any indication from this country as to how we feel about it. The decision will be made by the United States strictly on the basis of what they feel will be in the interest of their own security.

There is also the matter of the Great Lakes clean-up. Unfortunately, this work has been stalled, and yet this is a gigantic problem involving two federal governments, one provincial and eight states as well as several other governing bodies. But we have had no decision on that. I was very heartened today during the question period when I asked the Prime Minister (Mr. Trudeau) a question about the decisions, announcements or agreements that may be made when President Nixon comes here next month regarding the pipeline problem or the Great Lakes problem, and he intimated—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but, in accordance with the special order made today, I must advise him that his time has expired.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I agree with the motion of the hon. member for Kootenay West (Mr. Harding) which reads as follows:

This House expresses the view that in order to protect and preserve our environment, immediate national standards for environmental quality must be set for air, water and land, it being clear that these standards must be set for all pollutants, that they

must be enforced by the federal authorities, that low-cost loans must be available to municipalities and to certain industries to ensure no further delay in the building of sewage treatment plants and plant clean-up, and that an Environmental Council of Canada should be established without delay.

Mr. Speaker, this motion covers so much ground that it is next to impossible to discuss every aspect of it. Still, I should like to call the attention of the House to that part of it which reads as follows:

—that low-cost loans must be available to municipalities and to certain industries to ensure no further delay in the building of sewage treatment plants and plant clean-up—

Mr. Speaker, the essence of the motion is contained in those lines. I feel that it is imperative that we solve the financial problems of the municipalities to ensure sewage treatment.

Setting up an environmental council, adopting standards and passing laws will be useless if industries and municipalities remain in their present sad situation. We have always said, and I repeat it, that the problem is financial.

Let us hear all the speeches to be made this afternoon and evening, and we will always come to the same conclusion: we are facing a tremendous financial problem. Thus, I would like to draw your attention to a newspaper article published in October 1968 in *La Presse* and entitled: "Some companies will be unable to survive pollution control". This is what it said:

The federal Minister of Resources, Mr. J. J. Greene, has declared yesterday that some Canadian firms will be compelled to close down because of the government progran on pollution control.

The Minister explained during an interview that pollution was now everybody's problem, but that pollution previously caused by certain industries was their direct responsibility.

The business community must consider the steps that are required to fight pollution as part of the production costs which, needless to say, will ultimately be borne by the population.

Mr. Greene said that Canadians would have to be prepared to accept these additional charges and slightly higher prices as being the cost of living in a healthy atmosphere.

Certain industries may perhaps not be able to pay the cost of pollution abatement measures and will then have to shut down.

"But the federal government understands this point and I think that the public must be prepared to pay for this economic dislocation", said he.

Mr. Speaker, the minister was then suggesting that we should be prepared to pay the cost of pollution abatement, and that certain industries might not be able to foot the bill. He also admitted that the problem was of a financial nature.

In February 1970, I received a letter from Mr. Fowler, President of the Canadian Pulp and Paper Association. This letter related to the federal budget and pollution abatement.

First of all, Mr. Fowler called the minister's attention to the problems for factories which must all tackle the job of not polluting the water and treating it.

And I quote:

... the pulp and paper industry solicits that your next budget include the following provisions:

1. Elimination of federal sales tax on construction materials, equipment and supplies purchased for the purpose of depollution.

2. Easing of regulations concerning amortization so that capital expenses directly related to depollution may be amortized over the period most favourable for the firm (the amount to be amortized could be considered as an expense or amortized over any period chosen.)

3. Federal grants equivalent to one third of capital cost of work carried out to bring existing industrial plants in line with any regulations set up concerning depollution (the government could also allow, instead of such grants, amortization calculated on a broad evaluation of the capital expenditure, having the same financial effect for most companies.)

The above provisions would, in our opinion, facilitate the implementation of depollution called for by various legislation and regulations, among them the Canada Water Act.

I could go on for the rest of the day quoting texts, newspaper articles or statistical data supporting the fact that the problem of pollution must be dealt with, and promptly. I know that the Minister of the Environment (Mr. Davis) is aware of the problem and I urge him to give careful consideration, as a possible solution, to low interest loans to municipalities or industries which urgently need these loans and apply for them.

I am surprised to see that a party to my left is supporting this measure and this is gratifying. It proves that all the Social Credit party's interventions to this end have not been in vain. Not so long ago, we were being called all kinds of names when we mentioned interest-free or low interest loans.

I think that municipalities should be entitled to such loans, at least with regard to sewage disposal, and that companies should be able to obtain low interest loans with a much longer write-off period, or even enjoy some tax exemptions.

• (1540)

We will obviously not be talking in terms of thousands of dollars since the problem is of such magnitude that it will require enormous expenses. The main problem is to determine what the federal government is able to do. A brief dated October 26, 1965, by the Canadian institute for the control of water pollution, stated and I quote:

(13) Legislation and tax procedures at the federal, provincial or regional levels should be established and amended so as to insure the most economical and efficient financing of the development, operation and improvement of the facilities for the treatment of sewage waters.

I agree on this point, but towns are facing an even more pressing problem. Industries make profits from which they can deduct tax payments. Actually, most of them are prosperous. But municipalities do not possess the same financial means as a large industry. After all, the damages resulting from unchecked municipal pollution are paid by Canadians.

How can you hope that municipalities like Brompton-ville, Richmond, Windsor, Asbestos, which are all in my riding, can abide by the government's criteria while their budgets show a deficit year after year? How do you expect the resident of Brompton or Windsor to pay higher taxes for pollution control facilities? Actually, these facilities have been totally outrun by budgets 50 per cent of which is earmarked for debt servicing.

The federal government in co-operation with the provincial government should immediately grant interest free loans to municipalities to enable them to deal with pollu-

tion, particularly sewage waters which are discharged into waterways that are frighteningly becoming polluted. The more we hesitate, the more tax money we will have to pay.

I would like that the problem prevailing in the Eastern Townships be considered. In the St-Francois river which runs through my riding at the level of Drummondville, the water does not run any more; it is so polluted by the sewage poured into it by some 120 villages and towns in Quebec that it just rolls down.

A study made by the Quebec Water Board showed that close to 270,000 people live on the banks of the St-François or its tributaries. The river is polluted at East Angus, Sherbrooke, Bromptonville, Windsor and Drummondville. Those towns should stop pouring their waste water into that river and, to that end, the federal government, in co-operation with the Quebec government, should grant those municipalities interest-free loans in order to put an end to such pollution, which is intolerable in 1972.

[*English*]

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I would like to thank the hon. member for Kootenay West (Mr. Harding) for giving me this opportunity to say a few words about the environment, about Environment Canada, about our federal programs and the manner in which these federal initiatives are co-ordinated effectively with those of the provinces.

His motion expresses the view that, "in order to protect and preserve our environment, immediate national standards for environmental quality must be set for air, water and land." I want to stay close to the main point that he is endeavouring to make. Mr. Speaker, we have been in the process of setting not only national standards but also national objectives.

When I mention objectives I am, for example, talking about the quality of the water out in the middle of a lake, or about the quality of large masses of air over a city. Standards, by contrast, apply to the point of effluence, of pollutants from their source. To repeat, Mr. Speaker, we have already announced a series of national air quality objectives. We have also been announcing a series of standards, which we are working out in close concert with the industries concerned.

We have by no means covered all the industries with which we must work and for which national standards must be set. But in answer to that part of the motion which says that Canada must preserve its environment by setting immediate national standards for environmental quality for air, water and land, I have to say that we are already in the process of doing this. It may take longer to do this job than the hon. member would like to admit. However, we have been working closely with half a dozen major industries.

In two cases we have already announced what these new standards are. These are standards which the industry concerned knows it can meet. They are standards where we have good working examples of pollution abatement procedures being adequate to meet all reasonable tests. They are also economic standards because we can point to plants or mills which are in effect making money and which have installed the necessary clean-up equipment and procedures, and are operating them in an economic way.

The hon. member says that these standards must be set for all pollutants. I will have to agree with him on that. However, it will take us time to work reasonably with the industries concerned to develop a description of the latest working technology. We intend to cover all pollutants, and we will be working with all polluting industries with a view to cleaning up their effluents.

The hon. member also says that these standards must be enforced by federal authorities. Mr. Speaker, he knows very well that the federal authority in many of these fields is not all inclusive. For example, he knows the provinces have specific power over property, and power over the location of many industries. He knows that the provinces have the only powers to deal effectively with local pollution which, in its detrimental influence, does not extend to surroundings which are outside a province, or which does not affect fish, navigation or human health, which are matters of federal concern. There are big areas of jurisdiction in this country which rest exclusively with the provinces.

In those areas, for instance in municipal affairs, in respect to industries located entirely within a province and whose pollutant effects do not go outside the province, it is really the provincial authority that must deal with them. However, having said this, Mr. Speaker, it is our intention, and we have been fairly successful to this point, to develop standards which the provinces will adopt, standards which the provinces will in fact copy, and which they will enforce. Even in areas of exclusively provincial or local jurisdiction we will not have pollution havens which will serve to attract certain "dirty" industries, or will permit some firms to get away with practices which would not be allowed in areas of federal jurisdiction or where the provinces adopt federal standards.

• (1550)

I think the hon. member would also be prepared to admit that where the federal standards are improved upon by a given province or municipality, the federal government should have no reluctance in immediately endorsing enthusiastically those higher standards. It may be that standards are not always uniform across the country. But certainly the national government must be able to set national standards which are uniform in so far as the force and effect of federal laws are concerned and to ensure that those are also standards which are met or exceeded in the provinces and by provincial administrations.

It is proposed in this resolution that low cost loans must be made available to municipalities and to certain industries to ensure no further delay in clean-up. I should certainly like the hon. member to list the "certain industries" to which he would give this preferential treatment. This would be a very interesting exercise, especially so far as the New Democratic Party is concerned. If we are to be selective, what industries should receive financial assistance from the government? In other words, what industries should receive a subsidy from the federal taxpayer in order to clean up?

Our basic policy is that the polluter must pay, that the industry in question will have to pay to clean up those wastes which it is now discarding into the environment. This is not an operation involving taxpayers' money or subsidies. It is a requirement which will be imposed upon industry. Admittedly industries often need time in order to bring their plants up to our new standards, in order to instal the latest equipment and use the latest processes which are described in our standards.

In regard to municipalities, the hon. member knows that, in effect, grants have been made to municipalities across Canada for a long time. Most municipalities in Canada have received loans from the federal government, one-quarter of which are forgiveable. If payments are kept up and the plant is in place, then one-quarter of the loan is forgiven at the end of the period. In effect, the municipality in question has received the equivalent of a grant of 25 per cent. Literally hundreds of millions of dollars have been lent to Canadian municipalities over the last decade for this purpose, for the purpose of environmental control, for the purpose of building sewage collection systems and in more recent years the purpose of building primary, secondary and tertiary sewage treatment plants. The Canadian taxpayer, through the federal government, has been helping every municipality that itself had a will to improve its own environment.

Some provinces have seen fit to assist this process. Some, such as Ontario, have made grants to look after those municipalities where the per capita cost is exceptionally high. This is the kind of assistance I mean, but there again we have federal assistance and provincial assistance making it easier for municipalities, certainly those faced with particular problems and high costs, to instal the necessary collection and treatment facilities.

The final point which the hon. member makes is that we should set up an environmental council of Canada. As he knows, this is a big step. We are taking a most important step right away; we are setting up an environmental council of Canada which is appointed by the Minister of the Environment (Mr. Davis) and will act in an advisory capacity to him. It is not, at least as initially conceived, a council similar to the Economic Council of Canada which has its own staff, its own civil service so to speak, its own terms of reference and works at its own pace and in its own way. The environmental council which we have in mind and the members of which will be appointed in the next few weeks, will be advisory to the minister. This is a big step; it is a good step and an essential step forward. However, it is only one of a sequence of steps. I might add that I am not personally convinced that we need yet another separate council with its own independent staff, answerable to no one and whose advice is not necessarily practical under the circumstances.

In the few minutes remaining, Mr. Speaker, I wish to take issue with the hon. member for Parry Sound-Muskoka (Mr. Aiken) who said that we really have no philosophy. Essentially, the Department of the Environment is concerned with the preservation of living things, the preservation of wildlife, our fisheries, our forests, our flora and fauna—nature, in other words. This is the mission of ecologists. Indeed, the ecologists are primarily concerned with the inter-relationship of all living things, one to the other, particularly with their environments of water, air and soil and particularly again in their relationships with the human animal and what he is doing to them and to his surroundings.

In the Department of the Environment we have many of the biologists who are concerned with the fisheries, who are concerned with the wildlife of this country, who are concerned with forestry. We also have the engineers who are concerned with our waterways, oceanographers who are concerned with ocean currents, the meteorologists who have been sampling air, who are knowledgeable about climatic conditions in this country, about ice movements, about the general backdrop from an air point of view and indeed about inter-relationships between air and water on both our coasts. So, we have the biological competence, the knowhow in this department to endeavour to deal with the impact of industry, of man's building activities on his living environment. It is in that context that we are developing our philosophy of how not only to protect our environment but to improve it as time goes by.

I have made reference to improving the environment and this is entirely possible. It has certainly been possible in the very big field of forestry. Our forests are certainly the biggest wild mass in Canada. They can be healthier if they are harvested. They can produce three or four times as much fibre as they do today. We can have industrialization and we can have a healthier environment and a healthier forest basically because the old, decaying insect-ridden forest which is commonplace in the so-called natural environment will progressively disappear in all but the wilderness and national park areas. In their place will be crops of younger, healthier, fast growing trees. This is a healthier environment, the kind of clean environment that we can have with more industry, and more employment for the people of this country as well.

That is also possible in the fisheries. Somewhat like hunting and somewhat like the ancient practices of the so-called commons, fisheries had been open to everyone. The rush was on and the first in reaped the greatest reward. In time, with the continued invasion of more and more fishermen, the resource itself was in jeopardy. Inevitably, over-fishing occurred; there were too many fishermen, too many boats chasing the remaining fish. Fishing became one of those "bottom-rung-of-the-ladder" type of activities the world over.

Now, we are introducing a degree of order into chaos. Off our shores where other nations are also fishing, we have entered into agreements to reduce our total pressure on the resource. We will share it. Admittedly, we will get 50 per cent or more, but we will share the resource with other countries so long as, collectively, we stay within the total catch. Individually, we will get our share. Once shares are decided on, it will be possible not only to reduce the amount of fishing effort but, as well, to make the fishery much more economical or economically viable. We will be able to withdraw vessels from the fishery or reduce the number of vessels in the fishery, and thus produce much higher incomes for the fishermen left in the fishery. Also, in time, we can build fishing stocks to a level more akin to those which existed before man began

to fish what were formerly extensive fisheries both on our Atlantic coast and the west coast of Canada.

• (1600)

I know that there are many other matters to which I ought to refer. I have said that the polluter must pay. We will, however, give him time to clean up. When he is building a new plant, he must meet the new standards immediately. In cases where there are old, existing plants, he may need some years in order to instal the necessary equipment and processing facilities. That obviously applies to the pulp and paper industry across Canada. There are approximately 150 mills in this country, many of them large, and some of them the largest of their kind in the world. They are not all modern, not all up to date, not all in the best of locations. If we were to force them to solve their pollution problem, or at least meet our new standards for new plants, overnight, many would close down. Certainly, in present circumstances where employment is so important and, indeed, probably the most important matter facing the government of Canada today, we will need to go slowly and put jobs ahead of pollution abatement. We will have to be frank about this and admit this to the country. Time will solve our problems. We shall certainly encourage those mills, one at a time, to meet those reasonable standards which the industry, in the main, agrees are adequate, appropriate, and not too onerous in the circumstances.

I might say in that connection that the United States, for example, is adopting our new standards without change for the pulp and paper industry. Undoubtedly, they will be adopting some of our other standards. We also have established standards for chlor-alkali plants which were discharging mercury. Their effluent has been recycled, the mercury has been recovered, and it no longer finds its way into our rivers and streams. There are other examples one could mention. We are proud when we see other countries following our lead. We, in turn, are learning from them and taking heart from some successes they have scored on the pollution front.

I could enumerate eight different pieces of legislation we have passed in the last two years which deal in a substantial way with pollution. I could list some of the really big developments which I am sure Canadians down through the years will boast about. For instance, who would have thought half a dozen years ago that there would be a firm agreement with the United States for cleaning up the Great Lakes. That agreement has been achieved. I am confident that it will be signed shortly. It incorporates our national objectives for water and will make Lake Erie a lake in which fish can survive and abound. Lake Erie will become a lake that is fit to swim in and its water will be drunk by human beings without any fear of ill effects. That is a massive agreement, a multi-billion dollar agreement, and its scope is impressive. As I say, it is an agreement which will result in the cleaning up of the great water system which drains the industrial heartland of North America. It will result in the cleaning up of that system by the mid 1970's. Mind you, we will be looking for further improvements down through the years. However, Mr. Speaker, that agreement by itself is a tremendous accomplishment.

[Mr. Davis.]

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the minister, but his time has expired.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I was pleased to listen to the minister and hear what he had to say about the abatement of pollution. Also, I am pleased to support the motion introduced by the hon. member for Kootenay West (Mr. Harding). Certainly, it is high time for Canada to set national standards for the quality of air, water and land.

The minister told us that grants have been given to municipalities for the building of sewage disposal units, etc. This has been done through Central Mortgage and Housing. The amount of funds made available has been small in relation to the need. I am certain that in his motion the hon. member for Kootenay West suggests a program far more expansive than the one operated through Central Mortgage and Housing. The minister is quite right, however, in saying that 25 per cent of loans or funds made available for sewage disposal units, etc., are written off or forgiven if the municipalities meet certain conditions.

The present motion is not unlike one moved by the hon. member for Hamilton West (Mr. Alexander) in 1970. At that time the question of pollution was debated. The minister was quite right in saying that a number of pieces of legislation pertaining to pollution have been passed in the last couple of years. However, so far no standards have been laid down. The minister also suggested that there are national objectives or national goals in this area. If there are such objectives, standards, goals or what have you, they are not apparent to Canadian manufacturing firms, Canadian industry generally and to Canadians using our lakes and rivers, our land and air. If there are such objectives and standards, surely they should be made clear to industry across Canada.

In addition, the government's intentions in making sure that these goals are reached should be made clear. It is all very well to say industry is not using land properly and that there shall be penalties. I think the onus today is on the government. It must do a little more in this area. I can think of the difficulties associated with operating mines in the Kenmore district of Alberta. It was suggested that land was being ruined in the area. What have the federal and provincial governments done to assist that industry to repair any damage done to the environment?

I can remember, too, going to Hilton mines in Pontiac county, near Ottawa, a couple of years ago and seeing the huge piles of waste rock heaped up from the iron ore mines. Let me tell the House that the Hilton mines people undertook some expensive research. They wanted to know how much it would cost to flatten out and seed with grass the piles of rock and dust heaped up outside the mine. The experts who were hired said that it would cost $300 per acre. The mining people told the researchers that was too expensive and that they had better come up with some cheaper way of doing it, or forget the whole thing. That experience is not encouraging. That industry should be encouraged to reclaim and repair the sort of damage that is done when open pit mining is undertaking for the recovery of iron ore or coal. Certainly, the government should lay down standards for enabling industry to determine more easily what must be done.

It is interesting to note that this motion was moved by a member of the NDP. Members of this House, and particularly of the NDP, have been quick to condemn the Conservative party. They say that it is opposed to advancement and change. The true hallmark of the conservative is that he accepts change based on experience. That is his philosophy. He is not afraid to look back at his mistakes and correct them. If previous governments had done that, perhaps we should not be facing our present difficulties regarding pollution. Mr. Speaker, compare the philosophy of the true conservative with that of the socialist. The socialist, apparently, believes in Utopia. A conservative believes he is the caretaker of the environment on behalf of future generations; he is only here for a limited time and he must take care of our water, air and land so that those who come after him may be able to enjoy it. In order to make this possible one must be prepared to look back and accept change based on experience. I sometimes believe that, over the years, liberal philosophy can be expressed in the question: what will make the biggest buck and the fastest buck in the way most acceptable to industry? Bearing in mind the number of years during which we have had to live with a Liberal government in Ottawa, is it any wonder that pollution is as great as it is today?

• (1610)

The creation of the Department of the Environment was a major step forward. On this side of the House we all regarded it with a great deal of interest. We wondered whether or not the relevant legislation would have teeth in it, whether as guardians of the tax dollar we would be supplied with sufficient information to enable us to judge whether or not the new department was fulfilling a useful service. I was disappointed when the minister told us that the environmental council which is to be set up would report to the department. Such a system will not allow an outside body to check whether the department is acting in an appropriate manner or not, whether it is really cleaning up pollution or whether it is covering up major pollution somewhere or other on the ground that certain industries are involved, or for reasons of good neighbourliness and so forth.

I would much prefer to see an environmental council operated on the lines of the Economic Council and issuing a public report. It could be established on the basis of a mixture of the principles applying to the Economic Council and the Auditor General; it could be, in essence, the auditor of our treatment of the environment; it could audit the management of the environment by the government of the day, and make its report impartially, notwithstanding the effects which the report might have on the government. In this way, it could provide a most useful service. I should like to see the Department of the Environment given increased responsibilities. In my opinion, the Arctic Waters Pollution Prevention Act and the Navigable Waters Protection Act should be placed within the purview of the new department.

Most of our immediate concern arises from the nature of our urban environment. I sometimes wonder how we shall be able to control pollution in large urban areas if we continue to allow cities to sprawl over adjacent territory without limit to their growth. Growing cities do not appear to concern themselves greatly over pollution. All one has to do is drive around the major cities of Canada today to realize the extent to which urban sprawl is increasing. The more rapidly cities expand, the less their administrators appear to care about the difficulties of sewage disposal and waste disposal in general.

In the debate which took place last year on this subject the hon. member for Hamilton West listed the percentage of various material which goes into waste. The hon. member for Esquimalt-Saanich (Mr. Anderson) referred to the situation in Hong Kong. Reading his speech one can readily understand the difference between the efforts made in Hong Kong to dispose effectively of waste products and those made by various major cities in Canada. There is no doubt, in my view, that cities have been allowed to abuse land surrounding the city area. Standards should certainly be set for municipalities to meet, and, if necessary, grants far larger than have been made in the past should be made available to help them reach those standards. It was said a few years ago that the City of Montreal had installed sewage treatment plants sufficient to handle only about 11 per cent of its raw sewage. This is a shockingly low figure, though I do not wish to single out Montreal as the only example. Other major cities are almost as bad.

We must accelerate existing programs and we can only do this if the government has the courage to lay down specific standards which must be met. In other words, for example, no raw sewage should be dumped into our rivers and waters. If we were as emphatic in making that statement as we are in saying other things, if, for instance, we said that by 1975 no city should be dumping raw sewage into rivers and lakes, then we would see action. Requests for grants would be made to the government and the government would be obliged to come through. But the federal government appears hesitant to take action. It says, among other things, that much of this responsibility lies with the provinces. This may be true to some extent. Nevertheless, over-all authority rests with the federal government, which is responsible for Canada as a whole and the federal government must be prepared to take action to end some of the abuses which have been taking place at the expense of our land, water and air.

So far, the government has taken only what might be called minor initiatives in the area of pollution abatement. Basically it has shown no real leadership. The minister, in his closing remarks, suggested that fish would once again abound in Lake Erie and that after the pact was signed with the United States all the waterways along the Great Lakes system would be cleaned up. But unless a definite commitment is made as to the standard of purification to be met no such result will follow, although the program may have a good appearance for political purposes. Incidentally, there has been a record catch of fish in Lake Erie this year. Results have been far better than last year.

An hon. Member: Smelts and perch.

Mr. Horner: I suppose that in 1975 a spokesman for the government will point out that catches have improved and claim it is the result of the clean-up program. This will not necessarily be the case. The minister gave the impression that no fish could now survive in the lake. For the record,

I might mention that certain species do and can survive. We are looking for more action and less verbiage; better standards, and better defined public goals by which industry and the rest of us must abide.

Mr. Frank Howard (Skeena): Mr. Speaker, the House and the country certainly owe a debt of gratitude to the hon. member for Kootenay West (Mr. Harding) for having taken the opportunity today to put forward a motion relating to our environment, thus permitting parliament, at least on this one day, to concentrate its interest upon so important an area. However, because of the way in which parliament functions, because it is controlled by government, and because there is a dictatorship existent in the structure of government activity, not much may come of the complaints which are raised and the propositions which are put forward. None the less, I believe the hon. member for Kootenay West, in taking this opportunity, deserves our applause and the applause of the people in the land. Not one single item is of greater concern to us than the question of the environment, our ecology and living things on the land, in the waters and in the air. Since they are the basis of life, if we do not concern ourselves about them in a serious way we injure the prospect of life on earth continuing beyond a certain point in time.

• (1620)

I listened with a great deal of interest to what the minister said, because after all he is the minister charged with the responsibility for dealing with environmental matters. I should like to extend a word of congratulation to his speech writers. They worked with such care and precision that so far they have prevented the minister from saying anything today on this subject except in general terms, and then not the full truth. When the Department of the Environment was established, and when preceding it a number of other pieces of legislation were announced in speeches from the throne of earlier years, members of parliament had great hopes that we were embarking upon a concrete plan of action to deal with environmental problems, the ecology, and to do something worth while to preserve life in Canada and on shores close to Canada, and thus hopefully influence the situation throughout the world.

For example, as the minister has mentioned we have the Canada Water Act which conceived of the establishment of water management control areas, or river basin boards, or some such bodies as that. I do not know how many have since been established. Has one such water management control area been established, even though the Canada Water Act has been on the statute books for over two years now? I doubt whether any have been set up, but perhaps one has. When the bill was being dealt with by the House, we attempted to establish in the legislation national standards for water quality throughout the nation, so an objective could be set. However, the Liberal party objected to that concept and refused to put into effect national standards.

Then we also had the Clean Air Act. As far as I know, the only activity under that act is that some studies are being conducted into the extent to which our air is being polluted. But in terms of activity and action there has been nothing.

Then, we had the Fisheries Act which again corrected some abuses of the past. This act sought to prevent pollution in the future rather than simply penalize people for pollution after the fact, as had been the case previously. However, when the minister announced the promulgation of the pulp and paper effluent regulations early last November, we found the regulations did not apply to a single, solitary hardboard mill in Canada.

Mr. Davis: The regulations apply to mills under construction.

Mr. Howard (Skeena): Yes. Being too precise, the minister did not listen to what I said. I said they do not apply to a single, solitary hardboard mill in existence in Canada today.

Mr. Davis: Standards are exceeded by half a dozen of them.

Mr. Howard (Skeena): None whatever. Even if the regulations were to have some effect in the future, and were applied to pulp and paper mills that will be built, or even applied to present day mills on a negotiated basis, the minister is flying in the face of his own arguments. At one time he said to industry: "We want you to keep your effluent within the plant gates". Now, through these regulations, he is telling them: "It is all right to pump your effluent out into water courses, into lakes, streams and salt water. Before your effluent is declared toxic", says the minister now, "there must be a fish kill of 20 per cent", albeit under controlled conditions. That is the way I read these regulations, and if I am wrong perhaps the minister will declare otherwise. As I interpret the regulations, when the fish kill reaches 20 per cent of the fish existing under controlled conditions, the effluent is classified as toxic and the mill is then in contravention of the regulations. If the percentage is only 19 per cent, then the mill can go ahead and kill that number of fish.

Then, we had the Arctic Waters Pollution Control Act which applied to a 100 nautical mile zone around the Arctic archipelago. I understand this to be the finest legislation in the world so far as controlling pollution by oil tankers is concerned. The only part of it that does not ring true is that it applies to an area where there are no oil tankers operating or it is unlikely that they will be operating.

However, off our east and west coasts where oil tankers move through the waters practically every day of the week, there is no such stringent requirement. I am sure practically every day of the week somewhere in the world an oil tanker sinks, or runs aground, or runs into bad weather, capsizes, breaks up and spills oil into the ocean. This is another instance of having some fine words in legislation which itself has no practical application. In other words, we have laws without teeth. We have laws written in fine terms, which are carefully drawn and on the surface are supposed to help preserve our environment and protect our ecology. But the value of these laws has either been emasculated by inaction on the part of the government or eviscerated by regulations such as the pulp and paper mill effluent regulations. Under the sponsor-

ship of the Minister of the Environment (Mr. Davis) we have in Canada pollution control by press release only, certainly not by direct activity.

Let me give the House a few examples of what I mean in the few minutes available to me. At one stage the minister pointed out that he wanted industry to keep its effluent within the plant gates, that none of it must go outside. Technically that is possible, he said. Then, the minister comes along with regulations and says to the pulp and paper industry, his friends: "I really did not mean what I said. We will permit you to continue pumping your effluent into water courses across the land, to kill fish and destroy the ecology; the regulations say you can". We have the Arctic waters pollution control legislation, the finest in the world, with no application to Canada in those areas where oil tankers operate; it applies only to those areas where very few people and no oil tankers are likely to move.

Today, we can find the ship *Vanlene* aground on the rocks of Barkley Sound off the coast of Vancouver Island. This is a ship that missed its mark by at least 100 miles, that did not even have a Canadian pilot aboard to bring it into Canadian waters. I understand that it had defective compasses. So far, this ship has discharged 30,000 gallons of bunker oil into the ocean off the west coast of the island. The owners of the vessel obviously were sloppy and careless about its management, not really caring what happened, a sloppiness and carelessness matched only, so far, by the attitude taken to the situation by the Department of Transport.

At this very moment we have at the scene fisheries department officials, department of defence officials and Department of Transport officials standing around on decks of ships watching the current of the water moving this oil spill up on to the beaches of Vancouver Island and Long Beach, being unable effectively to clean it up. They have an oil licker, I understand that is the technical term. This is a cleaning-up mechanism developed by the Department of Transport, it is true, yet it is inoperative because it will not work when waves are over one and a half feet in height, which is always the case off the west coast of Vancouver Island. The oil licker does not operate because bunker oil, in that temperature of water, turns into something approaching elastic. All the oil licker does is to try to stretch this piece of rubbery substance into the tanks and barges which are said to be there. There has been no action whatsoever. There has been carelessness on the part of the Canada Shipping Act officials and the government. In spite of our pilotage requirements, there was no pilot on the ship. There have also been careless activities in terms of trying to clean up that oil.

• (1630)

Hope Enviro Control Ltd. of Victoria developed a type of oil slick removal equipment that operates on a whirlpool basis. A propeller is placed under the water which creates a whirlpool. This moves the oil on top of the water as well as the sawdust and pulls it into the centre of the whirlpool. It operates with a worm gear. This company approached the Department of Transport to see whether it could try out this piece of equipment on this oil spill. They received a casual response from Norm Siegsworth, the director of that clean-up. He told them to go ahead. However, they were not permitted to use Department of Transport barges or equipment which are there at the moment and are not being used. Why does the government not give this outfit a try? Maybe they can help solve the problem. The herring spawning beds in that area of the coast have already been ruined, as well as the sea lion beds, because of this particular ship running onto the rocks. The situation can only deteriorate unless something worthwhile is done.

I want to spend two minutes talking about the proposed oil tanker route down the west coast. The first thing we should do with the trans-Alaska system from Valdez Bay to Cherry Point, Washington is make the Arctic waters pollution control legislation the finest law in the world. This is what the government says. It should be applicable to the west coast and the east coast. If American tankers are going to carry oil from Valdez Bay down the west coast to Washington, they should keep their ships 100 nautical miles off shore or we should insist that they meet the very stringent regulations we set down in the Arctic Waters Pollution Control Act. I will not go into detail, but this legislation covers safety equipment, double hulls, crews, navigational equipment and everything else.

We should not be in such a rush to accommodate the oil interests which want to build a pipeline down the Mackenzie Valley. We should look carefully at preserving the ecology in the Arctic and the Mackenzie Valley. The research which the government has done so far does not relate to the preservation of the ecology, but to the extent to which a pipeline down the Mackenzie Valley will injure the ecology. The government says it is only concerned about doing as little injury as possible. I believe they are approaching the problem from the wrong point of view. In any event, this matter has not concerned the government so far. The government has completely ignored the matter of the sovereign rights of the native Indian and Eskimo people in the north who still have aboriginal rights in that territory. These people are far more concerned about their inheritance and the ecology of that area than the Minister of the Environment (Mr. Davis) will ever be if he lives to be 150 years old.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I wish to congratulate the mover of the motion. I listened with a good deal of interest to his carefully prepared statement. The motion is cast in general terms. It refers to national standards and suggests the federal government should have the responsibility to move in this direction. It is not my intention today to talk in terms of what is possible by setting national standards and working in this broad way.

I listened with some interest to the remarks of the last member who spoke. Before proceeding to the particular theme which will be my subject today, I am tempted to make one or two comments on what he said. First, I do not think the cause of ecology is satisfied by extremist statements. It is very well for the hon. member who just spoke to talk about the damage to the sea lion and herring beds. The Minister of the Environment (Mr. Davis) assured me that competent environmental officials who are very concerned have looked at this and there is no evidence of damage. The hon. member for Comox-Alberni (Mr. Barnett) made a statement to the effect that there

is no evidence of damage. The case for ecology is sound and serious. The damage from spilling of oil is obvious to all Canadians. However, that case is not helped if we exaggerate and say things that cannot be backed up by facts.

I should like to deal now with a more specific situation in the National Capital Region. In a previous session of this parliament, I introduced a bill to create a National Capital Region Pollution Control Authority. It was my hope that we could start by demonstrating what was possible within this one particular area where the responsibility and interest of the federal authority is perhaps a little greater than it may be in some other parts of Canada, however great the problem is in all areas.

When I spoke in the Throne Speech debate at the beginning of this parliament in 1968, it was my hope that the government would give some priority in its policies and measures to reducing the scandalous pollution of the waters of this region. I say scandalous because there is no other way we can describe what we have done. I say "we" in the collective sense as Canadians. These must have been magnificent waterways when the first explorers viewed this country. When the pilings for the MacDonald-Cartier Bridge were put in a matter of a few years ago, 30 feet of sawdust was found at the bottom of the Ottawa River. This had been deposited by a previous generation which had exploited the resources of this country for their own good and sufficient reasons. However, the heritage they left us was to be carried by such magnificent waters as the Ottawa.

I remember a former deputy minister of fisheries, the late Mr. Bates telling me that at one time there were 30 salmon inspectors engaged on the Ottawa River between here and Montreal. Freshwater salmon disappeared from that water approximately 80 years ago. This fishery was killed by the timber trade, the pollution by sawdust which was dumped into the river and the bark of the logs drifting down the streams. I am proud to note that some very substantial measures have been taken by this government to deal with the problem.

Let us look at the Ottawa River for a start. On the Quebec side of the river, the government of Canada has entered into agreements with La Communauté Outaouaise, the regional municipality on the other side of the Ottawa, created by the Province of Quebec, to make grants which have made it possible for the first time for sewage treatment facilities to be developed. There is now a concern about and a measure of attack on the problem. I am sure that hon. members noted the announcement of the Minister of State for Urban Affairs (Mr. Basford) with regard to the purchase of the E.B. Eddy mill. The federal government has purchased 44 acres of this site. The old groundwood and sulphite mills are to disappear. Over a period of 10 years, the mill will be phased out of its present location and relocated. Careful effort has been made to preserve jobs. This is a problem in this matter because there is a delicate balance between the economic aspect and the moving of the whole industry, a balance between the cost of relocation which makes it difficult for industry to provide employment and the absolutely imperative concern to protect the environment.

[Mr. Francis.]

I note that this particular mill is being cleaned up. It was daily discharging industrial wastes into the Ottawa River which was equivalent to the sewage waste of a community of 1½ million people. In this particular phase, it is the money of the federal authority that is being used. Similarly, on the Ottawa side of the river, grants have been made for sewage treatment plants. There was a recent announcement of a grant of approximately one-third of the cost to the Regional Municipality of Ottawa-Carleton. The same formula that had been developed in connection with the regional community on the Hull side was used. Something like one third of $35 million, the estimated cost for municipal sewage treatment works, was provided to add to the capacity of the Green Creek plant to double it from 40 million gallons to 80 million gallons, to add phosphate treatment facilities, to expand the Watts Creek treatment plant and to maintain tertiary phosphate treatment. There was also a grant of $1½ million made by the federal government to the Regional Municipality of Ottawa-Carleton to assist in interest charges of capital costs in advance of need. These are steps in the right direction. But this is only a partial attack on the problem and is not sufficient.

• (1640)

The Minister of the Environment, who responded for the government in the House today, has tried for a long time to work out an agreement under the Canada Water Act with the provinces of Ontario and Quebec respecting the Ottawa River. A study was made of the Ottawa over a period of time. A careful measurement was taken of the extent of pollution at different points. The results are now being assessed. It is abundantly clear that the cost of cleaning up this river will run into hundreds of millions of dollars. The pulp mills are the prime offenders. Under the constitutional division of responsibility in Canada, the provinces have primary responsibility in this area. But, I say now to members of the House and to the people of Canada that the government is prepared to do more and has been prepared to do more.

The federal government was prepared to support a total plan of pollution control in the national capital region on the Ontario side of the river. I call upon those hon. members representing this community in the provincial legislature, the overwhelming majority of whom are supporters of the Ontario government, not to be silent on this matter. The federal government is prepared to put forward many pollution control measures and the province must share in the responsibility. The municipalities here as in other parts of Canada have limited capacity to carry these burdens. The province of Ontario is dragging its feet on pollution control in the Ottawa area.

I hope that those who try to go swimming at the beaches of the Rideau or Ottawa River this summer, and read the conflicting medical reports about whether 120 parts per million contamination is or is not enough to close up the beaches, will remember that in any case the pollution is far too great. What has taken place in this national capital region is a scandalous pollution of a tremendous water resource. I ask those members in the provincial legislature of the province of Ontario who represent this area to do their duty to the people who elected them and make

vigorous representations to have the government of the province of Ontario do more than it has done.

I also call on one or two other ministers to do something. I note with a great deal of satisfaction the transfer of the Rideau Canal from the Department of Transport to the Department of Indian Affairs and Northern Development which is more concerned with national parks. I hope this will represent a change of attitude and philosophy, as I am sure it will. I hope those responsible for looking after the Rideau Canal will be less concerned about mechanizing the locks and getting a maximum number of boats from point A to point B, and more concerned about the quality of the water in the Rideau Canal. I hope they will take some measures to enforce the standards that are absolutely essential on these magnificent pleasure waterways which are so much a feature to be enjoyed by those who spend any time in this region.

The measures to be taken to clean up the national capital region have just been started. I am proud of what has been done. There is the aid to sewage treatment facilities both on the Quebec and on the Ottawa side. The National Capital Commission has explicitly stated that it will aid control over pollution in the area within its authority. I commend those responsible for the initiative they have taken, because I think this is a magnificent example of what can and should be done. However, I call on those representing the provincial authorities to bear in mind that the war on pollution has to be won, it is true, by setting national standards and doing the things the mover of this motion has in mind. But I think a very practical and concrete demonstration of what is possible to other regional municipalities across Canada should start in our own backyard.

May I end on one note? Among the other measures on which I have not touched today are those loans for sewage treatment projects which have been made through the instrument of Central Mortgage and Housing Corporation to municipalities across Canada. I am informed that since 1961, the beginning of the program, something in the order of $500 million has been approved in 2,000 loans. There is a good deal more to be done here, but the loans which have as an essential feature abatement of part of the capital cost of facilities if constructed within approved principles and within an approved period of time, are an essential part of the clean-up program. This represents, I am told, something in the order of $180 million in respect of the cost of cleaning up the Great Lakes. This is part of the picture, but it is not enough. It must be substantially expanded. I hope we will see some initiative in this field.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I want to thank the hon. member who has just preceded me for recognizing that, indeed, recognition of the problem of pollution in our rivers and other waters started in 1961 with a major drive to have the type of sewage treatment plants that would bring about some correction of the situation which was very much apparent. I am sure all members realize the problem is a very broad one which must involve our interest and concern. However, I hope the statements I make today will not be so narrow as to leave hon. members with the impression I am right up to my neck in a fight for my political life, as is the member who preceded me. I wish rather to deal with a couple of fairly narrow issues. One deals with the impact of the oil levies for the purpose of building up a maritime oil pollution fund, and the other deals with the foundering off Vancouver Island of the freighter *Vanlene*.

Perhaps I might preface my remarks with one or two general comments. First, the reputable movers of oil in the world have no hesitation about paying for their own mistakes. This should be made very clear. While they have no hesitation in that regard, they do have some very serious reservations about paying for the mistakes of others. The second general observation—and I commend this to the Minister of Transport (Mr. Jamieson) and others—is that the practice of large oil tankers coming into our coastal waters, when perhaps one ship is all the company owns, is a practice at which, in the light of the devastation which might occur, we must look very closely.

• (1650)

We regret a number of omissions on the part of the House, as well as on the part of industry, in Bill C-2 which gave us in essence the amendment to the Canada Shipping Act with which I would like to deal in the next ten or 12 minutes. The Canada Shipping Act, which deals mainly with coastal pollution problems, has already been very clearly proven relatively ineffective on the west coast and therefore could not be very applicable or useful should a major oil spill occur in any of our waters. The amendment, on the other hand, applies to all waters, the west coast included, but it will not be as effective on the west coast for perhaps a very narrow reason, namely, that not nearly as much oil is moved in and out of Canada on that coast as there is on the east coast. Bill C-2 recognized the necessity of raising a fund from which costs for cleaning up spills could be drawn. A levy of some 15 cents per ton of oil shipped in and out of Canadian ports was imposed on February 15 of this year under the act for the purpose of building up the maritime pollution prevention fund to the level which was indicated by the minister of some $25 million to $30 million for the purpose of cleaning up any oil spills.

Another point that I could mention in connection with this by way of background is that most of the oil arriving on the west coast will be outside the 12-mile limit. This entire act applies to specified Canadian waters and says nothing about movement from international to national waters. If the Americans, for example, went ahead with their west coast tanker project, these tankers would be moving outside the 12-mile limit in international waters so there would be nothing really that we could do. To say that we have effective means of control out to 100 miles is absolute nonsense given the realities and practicalities of the Pacific Ocean in that area. There is not a man in this House, nor a person on the west coast of Canada, who is not aware of the tremendous disaster that would occur should there be a spill anywhere out to 100 miles or indeed out to 200 or 300 miles from the Canadian Coast should tankers use the proposed route to the northern part of the U.S. where it would be proposed to process any oil out of the Prudhoe slopes.

On the other hand, on the east coast, traffic is moving in international waters right within the contiguous and immediately adjacent areas. I have only to cite the example of the St. Lawrence River itself. Here we have a very

clear jurisdiction over those things which would put teeth into this type of an act and which would have the effect of being preventive. An oil levy for the purposes of preventing pollution is nonsense. It prevents nothing, and it provides solely a fund from which money might be derived for the purpose of cleaning up spills once they have taken place. Its relationship to prevention still confounds me, although it was alluded to many times by the minister in the course of the debate some months ago when we dealt with this measure.

The act itself is a poorly drafted, inconsistent and inadequate piece of legislation that falls far short of achieving any meaningful protection of our marine environment. The legislative inconsistencies surrounding the manner in which levies are collected for the maritime pollution prevention fund have contributed not only to the indefinite postponement of the expansion of the continental oil companies terminals in New Brunswick and its related industrial complex at Lorneville in New Brunswick but are a major factor that currently jeopardises major industrial expansion surrounding the oil industry in the Strait of Canso area of Nova Scotia.

These levies are collected each time a tanker leaves or enters a Canadian port, and have the effect of adding 15 cents to the cost of each ton of oil for each movement. For trans-shipment purposes, this is a minimum of 30 cents a ton. Where processing is involved, this could reach up to 45 cents and indeed 60 cents a ton, and when you are talking about five to seven barrels of crude per ton, depending on its weight, you begin to talk about 10 cents, 12 cents or 14 cents a barrel. When you start adding administration costs and overheads, you get perilously close to the point where users of gas and oil could be facing an increase of as much as one cent a gallon, this is not to mention greases and other products of crude oil.

To illustrate the inability of this fund to adequately protect our environment, we need only look at the current dispute surrounding the payment of costs to clean up the oil spill created when the Pan-American freighter *Vanlene* ran aground last Tuesday off the coast of Vancouver Island. The *Vanlene* was a freighter carrying some 37,500 gallons of bunker oil, although there is some confusion about the figure. I suspect it was considerably more than that. In any event, since the *Vanlene* was not classified as an oil tanker, no levies were charged against the oil carried as ballast, and hence no contribution was made to the pollution prevention fund. I wonder about that. I think anybody involved in the oil movement on the east coast certainly wonders about that.

The clean-up costs for the *Vanlene* will be borne by east coast oil shippers who contribute to the fund each time one of their tankers enters or leaves a Canadian port. Quite obviously, the Maritime pollution prevention fund is driving industry away from the Maritimes and is doing very little to protect our marine environment from other incidents of this nature.

It is interesting to note that when questioned in the House on March 20 how the clean-up of the *Vanlene* would be paid for, the Prime Minister (Mr. Trudeau) replied:

> The government has paid for clean-ups in the past and probably will do so in the future.
>
> [Mr. Forrestall.]

If this is so, then why not have the pollution fund guaranteed by the federal government, thus permitting a substantially longer period to build up the level required by the minister and at the same time substantially reduce the per ton assessment against these movements?

I wish to come back to the *Vanlene* for a minute. The hon. member for Esquimalt-Saanich (Mr. Anderson)—and we regret his absence from the House in recent weeks—is reported in the *Sunday Colonist* of March 19 as saying that there is no way in which we will be able to handle the resulting spill from a large oil tanker. There is no equipment designed for such an operation. A Department of Transport spokesman said that in addition to adverse weather conditions, the operation is hampered by lack of experience. They have not had to combat a spill of this type before. Clean-up costs, he said, will be in excess of one half million dollars. It seems to me that most of the machinery and manpower is recruited from private companies. It took three days to get a net around this ship.

What has happened to these fine contingency plans that we were assured were in existence? It is obvious that in the case of an oil spill anywhere in Canada our ability to do something about it is quite meaningless. There is still no co-ordinated national contingency plan to combat major oil spills, and I submit that this has been amply demonstrated on the west coast in the last week.

On July 8, 1971, the Minister of Transport (Mr. Jamieson) revealed details of an interim contingency plan for coping with oil and toxic material spills, to be in effect until a national contingency plan is developed. This national plan has not yet been completed. The minister appears to be only taking credit for the work done by those who worked on the oil spill of the *Arrow* in Chedabucto Bay in Nova Scotia.

• (1700)

I have two points to make. The method of collecting levies on the east and west coast, where there is a substantial amount of oil moving in and out, is unfair because it poses the prospect of doubling, tripling and even quadrupling assessments on the shipment of the same oil. There is something wrong in principle about that. The result is that it may drive away potential industrial development on the east coast, both in New Brunswick and Nova Scotia.

In the first instance of the sort since the sinking of the *Arrow* in Chedabucto Bay, we have had a demonstration of our total inability to cope with major oil spills. This is not only regrettable but in a sense must be immoral inasmuch as we have been constantly assured by government that we do have contingency plans to meet any emergency that arises. I point out that in the latest case it took three days to get a boom placed around the sunken ship.

It is to be hoped that the Minister of Transport, in his conversations with the Premier of New Brunswick, will tackle the first point that I have made with respect to the levies on the movement of oil and reduce those levies substantially so that they will not interfere with potential industrial development. He could have the government fund the present plan, and spread it over a considerably longer period of time to reach the total of $25 million or

$30 million that he feels is required for the purpose of combating oil spills.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before recognizing the hon. member for Vancouver-Quadra (Mr. Deachman) I wish to bring to the attention of hon. members that, pursuant to Standing Order 40, the following matters will be considered at the time of adjournment this evening: the hon. member for Egmont (Mr. MacDonald)—National Defence; the hon. member for Don Valley (Mr. Kaplan)—Industry; the hon. member for Fraser Valley West (Mr. Rose)—Public Service.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O.58—REQUEST FOR ESTABLISHMENT OF ENVIRONMENTAL COUNCIL, NATIONAL STANDARDS GOVERNING ALL POLLUTANTS AND LOANS TO MUNICIPALITIES

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

This House expresses the view that in order to protect and preserve our environment, immediate national standards for environmental quality must be set for air, water and land, it being clear that these standards must be set for all pollutants, that they must be enforced by the federal authorities, that low-cost loans must be available to municipalities and to certain industries to ensure no further delay in the building of sewage treatment plants and plant clean-up, and that an Environmental Council of Canada should be established without delay.

Mr. Grant Deachman (Vancouver-Quadra): Mr. Speaker, I wish to draw attention in greater detail to some of the legislation enacted by this parliament since 1968 in respect of pollution. The Minister of the Environment (Mr. Davis) has referred to some of the acts in a general way, but I wish to deal with them a little more specifically because I believe this will assist to bring to debate into focus.

Since 1968 parliament has passed the Canada Water Act which prevents the emission of sewage and industrial pollutants and protects whole river systems such as the Fraser in British Columbia, the Saskatchewan on the prairies, and the Ottawa River, which was mentioned by the hon. member for Ottawa West (Mr. Francis) a few moments ago. That act provides for the imposition of fines of up to $5,000 per day for polluters of such river systems and streams. If we are to clean up some of our major waterways we will tackle the job under the authority provided by that act.

We in this parliament also passed the Arctic Waters Pollution Prevention Act. This was a remarkable event in that we drew a 100 mile base line to protect Arctic waters from pollution by vessels attempting to navigate those waters, and to protect them from pollution by man on the edge of the Arctic seas. In this case our right to pass such legislation was challenged. Hon. members who recall the voyage of the *Manhattan* will recall the misgivings that we had as to whether or not Canadians even had jurisdiction over the territory in the north that we had long considered to belong to Canada. That act was passed, and to date has remained unchallenged by other countries. Year by year its provisions become more real in protecting Arctic waters.

I also wish to refer to the Canada Shipping Act, mentioned briefly by the previous speaker, which imposes what are probably the stiffest anti-pollution requirements in the world on ships entering Canadian waters. This measure is now being challenged by the oil companies because of the provision to impose a levy of 15 cents a ton on oil cargo moving in and out of Canadian ports. The oil companies would like us to believe that this levy of 15 cents a ton is the make or break limit for them. I do not really believe that is so. I believe there is more profit to be made in the oil business than will ever be wrecked by that 15 cents a ton levy. I believe that the application of a law as stiff as this is a beginning in bringing control to offshore waters so that they will not be polluted by the oil industry. Despite the pleas of the Premier of New Brunswick and others, I do not think this levy will wreck Canadian business. As the minister points out, it is only one half of one per cent of the value of the oil.

Mr. Forrestall: One half of one per cent? You're kidding!

Mr. Davis: That is right. Don't you think the oil industry can afford it?

Mr. Deachman: I hear the incredulous voice of the hon. gentleman opposite wondering if this is only one half of one per cent. Perhaps he will want to reflect on the remarks he made earlier, and join with those of us who think that the 15 cent per ton levy is not a bad place to start.

Mr. Forrestall: It isn't the 15 cents I object to, but the 30 cents and the 45 cents.

Mr. Deachman: All we know is that the Premier of New Brunswick is down here pleading on behalf of the oil companies to get that lifted. I am pleading on behalf of the people whose livelihoods may be wrecked by oil pollution.

Mr. Forrestall: It isn't the oil companies that will pay for it, it is the consumers.

Mr. Deachman: What are we to do with the fisherman who is affected? Will we write him off?

Mr. Forrestall: Surely to goodness—

The Acting Speaker (Mr. Boulanger): Order. The hon. member is not paying very much attention to the Chair. In addition, he is disturbing the hon. member who has the floor. I would remind him to address his remarks to the Chair.

Mr. Deachman: The hon. member gets his figures up to 30 cents by talking about oil that is brought in and taken out again. That is not really what people in the oil business are doing.

I also want to mention the Northern Inland Waters Act which protects the waters of the Yukon and the Northwest Territories in the same way that provincial water acts protect waters in the provinces. We also passed the Territorial Sea and Fishing Zone Act by which we extended fishing zones to the 12 mile limit, including on the west coast Dixon Entrance, Hecate Strait and Queen Charlotte Sound. I also want to refer to the passage of the amendments to the Fisheries Act which have strengthened regulations respecting the deposit of sewage and waste in waters frequented by fish.

• (1710)

I want to refer to amendments to the Oil and Gas Production and Conservation Act which provide stringent safety and anti-pollution controls for offshore drilling operations, thus preventing oil drilling in the Gulf of Georgia and thereby avoiding a disaster such as they suffered at Santa Barbara in the United States. This is a matter of grave concern on the west coast. The Gulf of Georgia is a little inland sea, one of the best areas in the world for navigation in inland waters, for sport and commercial fishing and recreation, but it could all be destroyed by a disaster such as that which happened at Santa Barbara.

I want also to refer to the Motor Vehicle Safety Act which requires new automobiles to be fitted with a device to reduce exhaust emission and to lower noise levels. I want also to refer to the Clean Air Act which we have just passed and which gives the federal government the authority to establish clean air standards across the country. There are other ways in which the battle against pollution has been carried forward by this government under existing legislation. We reduced the level of phosphates in detergents under the Pesticides Control Act which provides severe restrictions on the use of DDT and other pesticides. Incentives have been offered to industries buying air and water anti-pollution devices so that there is now no excuse for them not cutting down on pollution from their plants.

The government has also provided loans to municipalities through Central Mortgage and Housing for sewage treatment plants. At the Iona Island plant in the city of Vancouver much of the work was financed by a very large loan from Central Mortgage and Housing. This plant has made a great deal of difference to the residents of English Bay and to the parks in the area.

Mr. Speaker, these are just some of the acts of parliament which have been passed by this government since 1968 in the war on pollution. I think we can take a great deal of credit in this House for what has been done and for the legislation which has passed through this Chamber in the fight against pollution across Canada.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the motion before us today moved by the hon. member for Kootenay West (Mr. Harding) is a very important one which affects all of us regardless of our financial position and, in many ways, regardless of where we live in Canada. Pollution, problems of the environment, the ecology, are today international problems; they are severe problems which we cannot escape. This is an issue that all of us are going to have to face up to and put more money into than we have in the past.

[The Acting Speaker (Mr. Boulanger).]

Even in my constituency, which is primarily rural and not industrialized, more and more people are becoming concerned about the general question of the environment. In the last few months I have had people coming to see me and have had letters regarding air pollution and pollution of the water. In January, a gentleman came to see me who was concerned about the fact that his cattle would not drink water from the Qu'Appelle River because cities had dumped sewage into it. More people are becoming aware of the problem because they hear about it in the news every day and they read about the effect pollution is having on our water and air.

Mr. Speaker, I think the general question of pollution is another example of the evolution of social policy lagging behind technology. In the last 20 or 30 years there has been a technological revolution but our social policies and institutions have not kept pace. In man's early days he had little impact on the environment. There were a few streams polluted here and there, a few manmade deserts, but for the most part nature was able to replenish itself. Streams were able to cleanse themselves. Nature sustained man and remained in control. This is not the case today when man is controlling nature. In the last 60 or 70 years we have had radical changes in the quantitative way of life of mankind and we now find that we are overwhelming nature.

This is primarily the problem that we are discussing today. We are the first generation with the power to establish its own destiny, its own environment. We have the power to destroy it with nuclear weapons, biological weapons and so on. Many of the long term effects of such weapons are not known. We have created for ourselves an environmental nightmare. Many people in the world breathe smog and eat food polluted with pesticides. Rivers and lakes are so polluted that fish can no longer live in them. Many of our non-renewable resources are being exhausted without any long term plans for future generations.

When I was reading some material in preparation for these remarks, Mr. Speaker, I came across a few terrifying facts. Each year man is adding some 140 billion tons of carbon dioxide to the atmosphere; sewage production in North America averages 120 gallons per person per day which goes into the waterways. As we know most pollutants end up in the ocean and ecologists are warning us about the long term effects on plankton and life in the ocean which produces about 70 per cent of the earth's oxygen; some 7 million tons of pesticides are added to the atmosphere each year; pollution from fuel may double by the year 1980. We know how much smog there is now in some of the large cities and perhaps in eight or ten years urban dwellers will have to wear gas masks in order that they may breathe oxygen.

I think it is very clear that the problem before us transcends political boundaries and economic advantage. We

must move before it is too late and find some long term solutions to the problem plaguing our environment.

I think we must do two basic things, Mr. Speaker. First of all, we must pump hundreds of millions of dollars into research on pollution control. This is something that we have let slide for too many years. We have started to move in that direction with the creation of the Department of the Environment, but I suggest we are moving too slowly. We should have a department and a program with teeth and money.

Secondly, we must pass much stiffer anti-pollution laws with national standards for air, water and land pollution. We should not be soft with industries that are polluting. I realize that in order to do these things we must trample on some toes because we live in a capitalist society which is concerned about making a profit, and it may not be profitable for some companies to invest in pollution control equipment. But that is a social choice, a social decision which we must make collectively as a society, as a country. That is the type of planning that must be emphasized in Canada and the whole world today, because in this field mankind is lagging.

• (1720)

Besides, how can we really measure in dollars and cents the cost of the destruction of our environment and the long term effects that destruction will have on mankind and animal life. Many of those effects we do not understand today. In Canada, many policies in this field ought to be introduced, the first and foremost of those being national pollution standards for air, water and land. These pollution standards must be enforced vigorously, otherwise they will not be effective. We must also develop some rational plan regarding our non-renewable resources. Today, we are more interested in exploiting these resources, in selling them to a foreign country, than in conserving them. Many people are warning us that it will not be many years before we shall have run out of many of our non-renewable resources. In Canada we take no heed of such warnings. Instead, we offer bigger tax concessions to oil, gas and mining companies. That must be changed. That is why I am concerned about matters like the continental energy policy and talks going on between Canada and the United States regarding trade.

There must be more research into pollution caused by automobile exhaust systems. Such pollution affects the cities of this country. Automobile exhausts are one of the largest sources of pollution in Canada. There must be more research into public transportation, so that people may commute from one part of a city or country to another without using automobiles. There must also be more research and planning with regard to recycling and preserving minerals. We must preserve them instead of just dumping them and losing them forever. Also, as the hon. member for Kootenay West suggested a number of times, we must establish an environmental council of Canada, which will advise on and study problems connected with pollution. The council will recommend solutions that we, as Canadians, ought to follow. We should establish a pollution control fund as well that would provide substantial amounts of money to abate the problems of pollution.

Request for Environmental Council

I suggest that loans and funds in this area should be made available to municipalities of the country, to enable them to instal sewage treatment systems. Here, again, is an area we must be concerned about. Sewage, as we know, is one of the major causes of pollution in our rivers, streams and lakes. Much research into sewage aspects of pollution is being undertaken in Sweden. There, they are talking about recycling waste products and about installing systems that will use about one sixteenth the quantity of water that we use for disposing of sewage. Much less pollution is expected to be the result. As I say, we can do many things like that. Loans and grants must be made available to municipalities. It is useless blaming municipalities for our pollution if we do not give them funds to correct the situation.

In addition, the Department of the Environment must co-ordinate these activities. That department must be given teeth. I am not being unfair, I think, when I say that until now, that department has been a disappointment. It does not seem to know where it is going. It does not wield enough authority. It has no long term plans and is not providing us with much information regarding its activities. I hope I have made clear what our country should be doing regarding the abatement of pollution. Not one of us knows how many years are left for mankind. We must begin implementing some solutions very quickly, because time is running out.

Before closing, may I say a word about the world population explosion and the rate of population increase. Today, the world population is increasing by 70 million people each year. For 1800 years, up until 1830, the world population doubled about every 200 years. In 1830 the world population was approximately 1 billion people. Between 1830 and 1930, the world population doubled, to 2 billion. Between 1930 and 1960 the world population increased by another billion people, to 3 billion. Between 1960 and 1970, world population went up to 3.6 billion, and we expect it to double again by the year 2,000. Over 7 billion people will then be living on our planet. This concerns me greatly. We live in a country that is sparsely populated, if one excludes some of our larger cities. The population problem affects the world in general and Canada, through the United Nations, can supply more leadership in this area than is being supplied at present.

I have tried to speak of problems that I think should be examined immediately. We are just learning about environmental pollution. Some ramifications of pollution are not known and we will need to spend hundreds of millions of dollars in research and development to overcome the problem. Also, we will need to introduce much stiffer laws than those on the statute books today. This question is one that concerns us all. It cuts across party lines and boundaries because, no matter where we live, the problems of pollution have become critical and need to be solved.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I want to deal with the subject of the environment from three points of view in the short time at my disposal. First, I shall deal with it from the national point of view; second, I shall mention the international situation and third, I want to deal with some matters of particular concern to my own constituents in the field of the environment.

Request for Environmental Council

First, speaking from the national point of view, may I say that the time has come—and I think my opinion is shared by the Special Joint Committee of the Senate and of the House of Commons on the Constitution of Canada—to assert our national concern with the entire subject of pollution. I notice that in his speech this afternoon the Minister of the Environment (Mr. Davis) once more brought forward that old chestnut that is brought out when various aspects of environmental control are discussed—the constitution. In discussing the old problem involving the constitution he mentioned areas under federal and areas under provincial jurisdiction.

I am looking at the recently tabled report of the constitution committee. At page 91, three sections are devoted to the question of pollution control. Recommendation 100 is as follows:

Control over the pollution of air and water should be a matter of concurrent jurisdiction between the Provincial Legislatures and the Federal Parliament, and, as in section 95 of the British North America Act, the powers of the Federal Parliament should be paramount.

Recommendation 101 reads as follows:

The concurrency of jurisdiction over air and water pollution would necessitate both Federal-Provincial and Province-to-Province planning and coordination or programs.

The report then goes on to endorse the work of the Resource Ministers Council as a means of continuing consultation on matters of renewable resources. There is discussion in great detail regarding the present constitutional set-up involving the control of pollution, and the existing confusion is clearly shown.

• (1730)

Provincial jurisdiction stems from property and civil rights, municipal institutions, local works and undertakings and matters of a local and private nature within a province. Federal jurisdiction is based upon the criminal law, navigation and shipping, coastal and inland fisheries and the regulation of trade and commerce. There is, here, an immense possibility of jurisdictions overlapping. There are obvious difficulties in determining constitutional and political accountability.

It seems to me that the recommendation of the committee on the constitution is of the utmost importance. In recent years a totally new challenge has been developing in line with the growing global crisis relating to the environment. Man has learned that the world's resources are finite and that there is also ever increasing consumption which may threaten, in the long run, our physical and psychological survival.

Despite the statement the minister made today, I did not feel he was expressing a sense of urgency. It is true this may have been because he was not feeling very well himself. But I believe there is a growing militant, popularly based anti-pollution campaign in progress and for the sake of political expediency, if for no other reason, all of us should pay attention to this movement.

I noticed that the Canadian Wildlife Federation said the other day that 65 species of Canadian wildlife are endangered by human activities. I noticed, also, that Dr. McKenna of the York-Finch Hospital in Toronto said that air pollution contributes up to 50 per cent of all ailments afflicting man. A former Secretary-General of the United Nations, U Thant, said we had ten years in which to act before we smothered in our own waste. So I urge the federal government to use overriding power to deal with this threat, and to set national standards. I am not saying the provinces do not bear a measure of responsibility but I am asserting that the overriding concern is federal.

I undertook to deal with the international aspects of this matter. I know the minister had only 20 minutes in which to speak. I am sorry, though, that he did not use part of that time to deal with the question of the Stockholm conference on the environment which is to take place in June. The whole question of pollution cannot be solved locally, provincially or even nationally. It has become an international concern. For the first time the world community is organizing to try to deal with these international dangers affecting the welfare of humanity. I am sorry the minister is not in the House at the moment and that he did not have time to tell us what initiatives the Canadian government is prepared to put forward at this conference.

I should now like to spend a few minutes dealing with problems in my own constituency. We in the Beaches-Woodbine-Greenwood area of Toronto along the eastern lakefront are deeply concerned about pollution. Local organizations have gone into the facts, made reports and communicated them to elected representatives and to governments. They are actively participating in the battle against pollution. I had occasion the other day to send a questionnaire to my constituents. I asked about a problem which faces one particular area, namely, the smell which emanates from a local sewage disposal plant. I put this question:

The east end (of Toronto) has a problem of air pollution including odours from Ashbridge Bay. Agree or disagree?

Five hundred and thirty-eight people answered the question. Five hundred and fourteen agreed, and 24 disagreed. I suppose the 24 who disagreed are not as sensitive to odours as those who agreed. This was gone into by an organization called ForWard Nine. They conducted an inquiry they called Operation Sniff, the purpose of which was to determine the extent and pervasiveness of the odours coming from this plant. After the study they presented a factual report. I shall spare the House the details, but they were very expressive in their language about this menace to the quality of life in an otherwise excellent residential area.

We are affected not only by air pollution; we are affected by water pollution. The condition of Lake Ontario is not as bad as that of its sister Great Lake, Erie, but fish life is decreasing and bathing is becoming more restricted. We enjoy access to a beautiful recreation area, yet very few people venture to swim there because of the pollution which they fear they will encounter. Again, this is a matter of international concern. We all know that the International Joint Commission has recently negotiated, and I believe entered into, an agreement providing for a tremendous international plan to clean up the Great Lakes.

I was disappointed that the minister in his rather soothing remarks today failed to deal with the fact that, as I understand it, the President of the United States has vetoed the financial measures necessary for the plan

recommended by the IJC. I wish the minister had told us something about this project, which would have had tremendous beneficial impact upon the lives of people living around the Great Lakes—a very substantial section of the Canadian population, I might add. We have a duty to maintain our heritage of fresh water in the Great Lakes. The minister should tell us, if he can, why the President vetoed this project, whether his veto is likely to be withdrawn and what the Canadian government is doing in an attempt to get a different answer.

There is one other aspect of this question with which I should like to deal. A lot of the air pollution we experience arises from the burning of garbage. It is the view of experts, and my own view too, that the solution lies in recycling garbage and using it for industrial purposes. We are planning an experimental plant in the area of Toronto. It will be a municipal plant but to some extent it will have to be supported financially by the Department of the Environment. I plead with the minister to give sympathetic consideration to schemes of this sort. If it can be shown that they work they could constitute a major contribution to the ending of air pollution.

I do not know whether my time is about to expire but I should like to refer to a speech which the minister made on March 16, 1971. I thought I had the *Hansard* report with me but I cannot immediately locate it. However, it was reported in the press at the time that the government would aid city garbage disposal. The press report reads:

> Jack Davis, Minister of the Environment designate, told the Commons committee on fisheries and forestry that many cities cause air pollution by burning their garbage and once the proposed clean air act is passed the federal government will be in a position to help. The federal government likely will conduct research into ways of disposing of solid wastes without burning them, he said. Knowledge from such studies will be of great help to cities such as Toronto—

• (1740)

Somewhere else the minister said the government would be ready to assist in the financing of experimental projects in this field, to show what could be done to transform the waste of modern civilization into something useful instead of having it burned and thus put into the atmosphere as a pollutant and health hazard to people living in the cities.

As I have said, this subject has international, national and constitutional implications. It also has extremely important local implications. When the minister took on this job more than than a year ago I wished him good luck. I hope that all energy and vigour will be put into the enforcement of regulations. It is easy to set up standards. It is relatively easy to make reports and speeches on the subject. What is difficult and will require a tremendous amount of social, legal and governmental effort is the adequate enforcement of regulations that are made.

I know the minister was not feeling very well today and was able to be in the House for only a short time, but I commend to him the fact that people all over the country are concerned that the work of his department be fully effective so we can be saved from the scourge of the pollution of our environment.

[*Translation*]

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Environment): Mr. Speaker, as I listened this afternoon to the speeches of other hon. members, especially that of the mover of the motion (Mr. Harding), I noted that mention was made of almost every pollution problem under the sun and that there was no particular discourse on the text of the motion. That may have been a useful exercise, since we have already had, during the debate on various legislative proposals made by the government and adopted by this House, the opportunity of making a detailed study of those excellent measures, and it would be superfluous to come back to them today.

The previous speaker deplored the fact that the Minister of Environment (Mr. Davis) did not have enough time to speak about the important question of the United Nations Conference on Human Environment which is to be held in Stockholm from June 5 to June 15, 1972.

Mr. Speaker, I have indirectly been involved in preparations for this conference, especially since September when the minister asked me to attend to a national advisory committee in conjuction with the conference. I may be able to give information that might satisfy the hon. member who brought up the matter.

We have indeed set up an advisory committee of 50 members, on which the provincial governments are represented especially through their deputy ministers responsible for pollution and the quality of the environment. This committee also includes representatives of various spheres of national interest, for instance, industry, the natives of the country, the Indians, the Inuits as well as representatives of various citizens' groups which deal in matters pertaining to the environment, and those of the scientific community in general.

To carry out productive work, the number of members obviously had to be limited. Otherwise, we should have spent whole sessions just trying to conciliate different opinions. We feel we have been successful in setting up a committee representative of vast national interests.

So far, we have held two meetings, at the beginning of December and early this year and we intend to hold a third one next week.

The advisory committee's terms of reference are to suggest means whereby the participation of the people of Canada in the preparation of the Stockholm conference may be brought about, and particularly to incite the submission of suggestions as to the position to be adopted by the Canadian government.

We did not merely hold sessions of the committee, which includes some 50 members, Mr. Speaker. We solicited and obtained the committee's agreement to hold public hearings in all Canadian provinces, to which representatives of all sectors of the nation concerned with and interested in environment issues are invited.

These public hearings will begin in Vancouver on April 5 and the last one will be held in Winnipeg around May 5. During that period, we shall visit all the provinces, including the northern territories.

• (1750)

I should like to point out also that as regards the preparation of the Stockholm conference, Canada is among the 27 countries chosen by the UN General Assembly to be part of a committee responsible for preparing the Stockholm conference, drafting the agenda of the meeting and defining the discussion areas, for the question of environment is in itself such a vast subject that it would be ridiculous to believe that all the environment problems will be solved during the few days the conference will last. They must limit themselves to the most urgent and pressing questions.

It might be useful to recall also that the main object of the Stockholm conference is to call the attention of all nations of the world on the urgency of considering the serious question of pollution.

We are fortunate in that a Canadian, Mr. Maurice Strong, will act as secretary general at the Stockholm conference. Mr. Strong took up his duties a little more than a year ago. It was obviously a great challenge for him because people were saying here and there in the corridors of the United Nations that the Stockholm conference would be a failure. I believe it is to the credit of Mr. Strong—shared by Canada, obviously—that he not only made the conference possible but prepared it so well that one can now state that it will unquestionably begin on June 5.

One of the main tasks of the 27 nations' preparatory committee was to suggest to the secretariat of the conference, in Geneva, methods, plans and proporals which were sent last week to all members of the United Nations so they may consider them and state their position.

The public opinion soundings which the Canadian government intends to hold in the country will be part of the data which the Canadian delegation will bring to Stockholm on June 5.

I must say that it is in all seriousness and with an open mind that the Canadian government intends to sound out the public. It is not some form of window dressing, as it has been commonly stated in the English press. We really want to know what Canadians think because we feel that they are deeply concerned about the matter. We know that they will be in a position to contribute greatly to the development of our official position in Stockholm.

Mr. Speaker, I could speak at length on the Stockholm conference. To windup my comments, I wish to remind hon. members that it would be ridiculous on the part of the government to strengthen its position when only a few months separate us from direct consultation with the people. Canada should adopt a basically resilient position which she should probably maintain to the end. A great deal of compromise will have to take place, even though we could count on certain concessions at Stockholm. However, the Canadian government has certainly in mind that there should be a concensus on the adoption of measures, of recommendation and, if possible, of a universal declaration concerning human environment that would likely be ratified by all nations that are conscious of the serious problem of pollution.

Mr. Speaker, I would like to touch briefly on a subject that has been raised in this House by the hon. member for

[Mr. Corbin.]

Dartmouth-Halifax East (Mr. Forrestall) who is unfortunately absent at this time and which has given rise to several questions in the last few days.

Reference has been made—

[*English*]

Reference was made in this debate to the 15 cents a ton levy on oil for the creation of a pollution clean-up fund of approximately $25 million. I say this with some reservation, but if I heard the hon. member for Dartmouth-Halifax East (Mr. Forrestall) correctly he referred to the amendments to the Canada Shipping Act as a bad piece of legislation, or at least he did not think a great deal of it. It is possible that he was present at the detailed study of this bill by the special committee on pollution, but I do not remember seeing him there.

It seems to me that there was not much contribution to that exercise, either in committee or in the House, by opposition members from New Brunswick. It is rather unfair, therefore, to come here today and say it is a bad piece of legislation. As one who attended all the sittings of the committee when it studied that bill, I cannot agree with the position taken by some hon. members. We studied the legislation at length and in depth.

I certainly recognize the merit of the motion now before us. The mover of the motion worked very hard on the amendments to the Canada Shipping Act. I recall that most members supported that legislation in the House. Some of them said that to vote against it would be the same as voting against motherhood. But they do not say that today. There is now a Tory government in New Brunswick: that may be the difference. The legislation has been in force for a number of months and perhaps as an afterthought they now say it is bad legislation.

Members opposite made sure they were present when Mr. K. C. Irving, his three sons and a battery of lawyers appeared before our committee to make representations on the legislation. I respect Mr. Irving as any good New Brunswicker should. I respected him enough to question him time and again on this legislation to which he was opposed. He had some personal interest in the legislation. This is fair: that is what the work of the committee is all about, to listen to people who have a personal interest in the laws which we attempt to pass in this House. All the Tory members from New Brunswick added their two-bits of questioning to the record. They then left and did not return for our many hardworking sessions in studying and dissecting the bill. And today they cry "Injustice"!

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired. The hon. member for Carleton-Charlotte (Mr. Flemming).

Mr. Flemming: Mr. Speaker, I wonder if any hon. member would object if I called it six o'clock.

Mr. Knowles (Winnipeg North Centre): There would be an objection if you did not.

The Acting Speaker (Mr. Boulanger): It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, the motion we are considering expresses the view that in order to protect and preserve our environment, immediate national standards for environmental quality must be set for air, water and land. I submit this is an important objective which we would do well to consider carefully in the realization that most people in our country consider the subject to be of tremendous interest and concern. I would like to have seen the word "improvement" in the motion because I do not think one can change overnight a situation which has been in existence for 200 or 300 years. I believe that is too much to expect.

I believe, however, we should work toward improvement. As a consequence, I would like to have seen the word "improvement" in the motion, recognizing full well that it can only come about through people in authority such as representatives of the government of Canada and of our provinces and municipalities, as well as citizens generally taking great interest in improving the situation.

I submit that the control of pollutants in the air, in the water and in the land requires an element of greater supervision and regulation than now exists. It may be all right to say the federal authorities should exercise this control, but in my opinion you get better results are closer to the situation if you have control through the provincial and municipal authorities. When the federal machine is involved, people have to come to Ottawa to tell their story and in the process I am afraid a lot of effectiveness is lost. I suggest that if we dealt with this problem at the municipal level we would achieve better results because the municipalities are right on the spot.

The motion says that the municipalities should be assisted by loans to them and to certain industries to ensure no further delay in the building of sewage treatment plants. That seems a laudable objective. Therefore I think this House can say that the substance of the motion is logical and hon. members should have no hesitation supporting it in so far as the principle is concerned.

I think the House would do well to consider that, while hon. members might approve of the principle of working with great diligence toward all the objectives contained in the motion, these activities should of necessity be coupled with an awareness of existing situations which involve the services of many people. This adds up to jobs. I do not think we should merely say we are going to do away with something overnight when the livelihood of many people is at stake. I think it is a reasonable assumption that improvement can be affected. I think we should say that conditions which have existed for many years must be improved. We must believe that the situation, rather than deteriorating further is improving and from every point of view.

I submit that in our approach to the improvement of the environment we must be governed first by short-term objective. The short-term objective may have become critical and must be dealt with immediately by some jurisdictional authority. The longer term objective, of course, involves government, it makes no difference at what level, enunciating the policy it intends to continue from year to year with the idea of ultimately effecting improvement. I think we must take these matters into consideration when dealing with the problem in the short term and in the long term.

• (2010)

I have a distinct recollection of the situation that existed in my province of New Brunswick, and the general quality of water resources there when our administration was in office. At that time I took quite a bit of satisfaction, and in fact a reasonable amount of pride, in our passing legislation covering this matter. I think we were a bit ahead of our time, Mr. Speaker, because that was in the mid-1950s.

Mr. Pepin: It was a good Conservative government!

Mr. Flemming: That's just it. I know that the minister, with his intelligence and knowledge, can quickly recognize something that has merit. We passed legislation in this field and agreed to participate in the improvements of which I speak. We agreed to support the municipalities financially if they would instal sewage treatment plants and facilities of that nature. We also set up a water authority in that province. It had the duty to study the situation and recommend concrete steps that could be taken to bring about improvements.

I think we obtained some good results from that legislation. In fact, the legislation is still in operation. The Saint John River is a case in point. It is a long river. It lies partly in the state of Maine, becomes the international river between the state of Maine and New Brunswick, then it comes into New Brunswick and becomes a New Brunswick river. Three different types of authority were involved in the legislation, with all their various problems created from a jurisdictional point of view. There are many villages and towns along the Saint John River. Generally speaking, they all have sewage disposal systems. It must be remembered that one branch of the Saint John River rises in the state of Maine and villages and towns are located on its banks.

As my hon. friend from Madawaska-Victoria (Mr. Corbin) knows, there are industrial plants in his city. In fact, there is a large plant there which was guilty of causing some pollution of that river. The matter has now been rectified, but it posed a problem for some time. As I say, we made an improvement. I give this example because I think this type of approach should become more national.

I now turn to the question of the Bay of Fundy, which is in the southern part of New Brunswick, and the Gulf of St. Lawrence which is on its eastern side. Here I deal with the question of transportation. At present we have some problems connected with the spillage of oil from ships. We had the wreck of the *Arrow* and the pollution by oil of Chedabucto Bay. In spite of the pride that we all have in Bill C-2, which provides certain penalties and regulations, I think a little more attention might have been paid to the tax imposed on vessels which by the nature of their physical condition and age are a greater menace to navigation and a source of oil spillage than more modern, larger vessels.

It seems to me that this is a matter which should receive consideration in the future because there is no comparison between the possibility of damage due to spillage of oil from a newly constructed ship and the probability of spillage from some old wreck that somebody hires for a small amount of money in order to transport oil.

We have a regulation applying a 15 cents per ton levy on ships of over 1,000 tons. Here I am dealing with the short-term question which is an issue in New Brunswick and may become an issue in Nova Scotia before long. A large development is planned in the southern part of New Brunswick on the Bay of Fundy. Incidentally, it is my riding although it is seven or eight miles from Saint John. It is at Lorneville. As everybody knows, Mr. Speaker, the continuation of that development is very much in jeopardy.

The oil people who contemplate development have said they cannot afford the 15 cents per ton levy. They say they may have to pay this levy inward and outward and if they transport products between one place and another in the area. In other words, there is a possibility they may have to pay the levy three times and they say they cannot afford it. One may ask, what can they afford? But before dealing with that question I would like to mention the seriousness of the situation. It was only about a month ago that we journeyed to Saint John to attend one of those fund raising dinners that everybody knows about. There we saw the plans of this development.

At one end of the development was a huge thermal plant for the production of electricity, involving enormous expenditure and based to an extent on the possibility that they might get their fuel at an attractive price from the over-all development. Next was a huge wharf to be built by the Continental Oil Company, costing approximately $60 million. The Canadian National and CPR had their tracks laid out, and a good deal of space was left for further development to take place. In other words, the very thing that is provided for in various legislative enactments of this parliament is being put into operation at Lorneville at the present time. But now it is all in jeopardy and the whole project may be scrapped because the shippers say they cannot afford this levy.

• (2020)

I am sure that no one within sound of my voice could contemplate such a situation without regretting that it is possible. We must do everything we can to avoid it. The general manager of the project revealed that Continental Oil Company was prepared to pay a levy of five cents to seven cents a ton, but with the present levy the company would lose $200 million a year. I submit that there is evidence of lack of investigation when the Minister of Transport (Mr. Jamieson) tells us he is satisfied the government will get $25 million in the bank as a result of this levy, while the company concerned says it will lose $200 million a year on the basis of a 15-cent levy. Unless there is something wrong here, it seems to me there is plenty of latitude for the company, the federal authority and the provincial government to put their heads together and work out an agreement with which they are prepared to live.

[Mr. Flemming.]

It seems that the maximum levy was imposed and the submission is that there is no need for the maximum. There is quite a bit of criticism of the federal government. The president of Gulf Oil of Canada—I point out that the company is in Nova Scotia in case someone might think I am being partisan—Mr. "Jerry" McFee, said last week that a 15-cent per ton levy is twice as high as required and he criticized the government for failing to indicate a ceiling for the fund.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but his time has expired.

[*Translation*]

Is the hon. member rising on a point of order?

[*English*]

Mr. Corbin: I understand that there is a limitation on the time but would you allow me, Mr. Speaker, to put a question to the hon. member?

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): This can be done only by unanimous consent, and it is my understanding that no extension of time has been given by the House. I understand procedure we have adopted has even been made an order of the House.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I assure the hon. member who has just spoken that we will be very pleased to add the word "improve" to our motion, but the main thing about which we are concerned is to make sure that the first steps are taken toward protecting and preserving the environment. There has been a great deal of talk throughout the country and a great deal of interest has been shown in the matter, but there must be a great deal more vigorous and immediate leadership from the federal government before we get anything like the amount of action that is required to preserve and protect the environment.

Our discussion on the motion has been very wide-ranging, from local pollution issues to the Stockholm conference on the environment. This reflects the fact that this is a many faceted problem and it concerns the public in many ways. However, there has been the feeling among some members that we can get along in a leisurely fashion with respect to the question of the environment. Those of us who have been digging into this subject realize that the experts are deeply concerned lest our technology whittle away, destroy and obliterate our environment to such an extent and so rapidly that in the process the human animal will be eliminated.

We are beginning to realize that we must face up to two problems, the problem of world population and the problem of world environment, and that those things must be dealt with not in some dim and distant future but right now, if we are to keep out of trouble. Canada is one of the world's few remaining treasure houses of natural resources and we are beginning to discover that other countries are realizing this fact. They have used up their own treasures, their own natural resources, to quite an extent.

We in our province are very aware that other countries have found the way to our door and are beginning to take from our shores our treasures, our minerals, our wood and other commodities.

We are afraid that our water power and other resources may be taken away entirely. This may be good from the standpoint of international trade, but from the standpoint of planning a future for those who will come after us we must make sure we do not destroy in the short run our whole heritage and the possibility of a good environment for those who follow us.

Parts of Canada are among the world's best potential holiday spots. I have been told that in my own province tourism is the second largest industry and I have no doubt that such is the case in some of the maritime provinces. We must take great care to make sure that this remains the situation. I am glad to see that some of my hon. friends know what a treasure house and holiday spot we have, and it is indeed a beautiful place.

We are anxious to see the establishment of an environmental council without delay, because we think we badly need a non-partisan body which would represent all the sections of the community. Only when we get a widely representative body of that kind will it be possible to get action on these environmental problems.

It has been pointed out today that the minister is handicapped and that he should be in charge of environment and nothing else. He has under his jurisdiction forestry and fisheries, and these often come into conflict with the environment. In our province, the big forest industries and the environment do not always march in the same happy direction and often one does not progress without the destruction of the other. The minister is in the position of being subject to sectional interests in a way that he should not be.

Our main reasons for wanting the establishment of an environmental council are so that the minister can be free of conflicts of interest, so that the council can represent the interests of the whole community, and to avoid the federal government's regrettable habit of using the taxpayers' money to pay for reports and studies and then sitting on them as though they were its own private property. If the public is to protect the environment it must know the facts, and both this government and the provincial government—at least the one with which I am familiar—have the regrettable tendency of trying to keep the facts away from the public because it might be embarrassing if the public were to use them. An environmental council would avoid that sort of thing. Those are the reasons we want this council.

Secondly, we believe firmly that national standards should be set for water and air quality and that the only place to set those standards is here in the federal parliament under the jurisdiction of the Department of the Environment. Some time ago we passed the Canada Water Act. Some of us were on that committee and discovered that all this water basin business looks beautiful, but only on paper. It has become pure rhetoric and is now a speciman for a museum: it is not real, Mr. Speaker. Not one water basin area has been set up. We pointed out that it would not work and that the only thing that would work would be to have the Minister of the Environment (Mr. Davis) armed with national water quality standards for all parts of the country. The same thing should be true for air quality under the air pollution act.

• (2030)

When he spoke this afternoon, the hon. member for Vancouver Quadra (Mr. Deachman) catalogued legislation passed by this government. It is one thing to pass legislation and it is another to have that legislation take effect. I wondered where his eyesight was when he said that this legislation was protecting all the major rivers in Canada. He knows the Fraser River as well as I do, perhaps even better. I hope the hon. member for Vancouver Quadra is not going away, though I imagine he has had a phone call. I am sorry he has to go, Mr. Speaker, because I was going to say that he can see the Fraser as well as I can and he knows that we could almost expect the second miracle of walking on the water without any danger of sinking in the places where it is so highly polluted.

I still remember fisherman Buck Suzuki of the fishermen's union pointing out that they have to use gloves when they fish for salmon in the Fraser River because of the raw sewage which endangers their health. He also indicated that he hated to think of the citizens of Vancouver and elsewhere eating fish that had been nurtured on raw human sewage. These rivers are not clean and to shut our eyes to the fact that they are in such a state of filth is to shut our eyes to reality. The only way to clean up our rivers is to provide enough low interest loans to municipalities that they can build sewage treatment plants. This must be done.

I wish the federal minister would have a good, strong discussion with the provincial minister and get him to see that the Moran dam must not be built. It will kill fish and destroy life in large stretches of the river and surrounding areas. This dam should not be built on the Fraser River if we are considering the protection of our ecology. This government alone, or even in concert with provincial and municipal governments, cannot protect and police the ecology. We must have citizen help. This afternoon one hon. member showed us the international scene and another talked about the Stockholm conference on the environment. Now I am going to turn to the small end of the telescope and use a list that was published in the "Canadian Conservationist—Winter 1972." This is what was said to the ordinary citizen under the heading "Live Econscientiously!", which is "consciously in face of the environment."

An hon. Member: How do you spell it?

Mrs. MacInnis: I shall not spell it now because it would take up all my time. The article begins with these words:

Sharing the environment means sharing the responsibility to keep it livable—today and tomorrow. We are not the earth's owners, but her guests. Conservation means doing your duty by doing your share:

Here are the points. Get ready for number one because I warn you this is going to throw you:

1. Limit your family to two children. If you want more: adopt.

I am wrong. It will not throw you gentlemen because most of you are past being able to do anything about that.

Some hon. Members: Hear, hear!

Mrs. MacInnis: But it will throw your relatives. Perhaps I am being unchivalrous. I take it back in the case of many of you.

An hon. Member: Perhaps you are being inexact.

Mrs. MacInnis: "Inexact" is close. The list continues:

> 2. Don't use paper towels; use cloth ones which you can wash and use again; when writing use both sides of the paper rather than extra sheets. Refuse unnecessary paper bags in supermarkets: use shopping bags you can re-use. Return junk mail to the sender and mark it as such.

I will add my postscript here, Mr. Speaker: Tell the Postmaster General (Mr. Côté) to pass a law that will not allow junk mail such a favourable rate of postage.

An hon. Member: Especially that which goes to him.

Mrs. MacInnis: The list continues:

> Wasting paper means wasting trees and building pulp mills.
>
> 3. Walk and use public transport as much as possible: it's safer and reduces pollution.

They forgot to add that it reduces the corporation, too, which a lot of people in this chamber have. It also reduces the danger of heart attack and early demise. I continue:

> 4. Vote for candidates whose record shows concern for the environment.

An hon. Member: Now you have got them.

Mrs. MacInnis: Not "whose rhetoric" but "whose record shows concern for the environment." It continues:

> If you don't know where they stand on environmental issues: find out.

And don't find out by listening to them; find out by looking in *Hansard*. I did not read that from the list, Mr. Speaker; I contributed it myself.

> 5. Use electricity wisely. Don't buy or use electric gadgets such as electric can openers: they are a waste of materials and energy.
>
> 6. Use no pesticides unless absolutely necessary and then only those containing the least harmful chemicals such as pyrethrin, methoxychlor and the carbamates. Never use chlorinated hydrocarbon pesticides such as DDT, DDD, endrin, dieldrin and toxaphene.
>
> 7. Insist on glass instead of plastic containers: glass can be recycled, plastic cannot. Support recycling depots by taking your re-usable materials to them.
>
> 8. Join at least one conservation group and participate actively in its programs.
>
> 9. Write letters on environmental issues to newspapers and government representatives. Public opinion does work.
>
> Don't throw this magazine away: when you're finished with it, please give it to another interested person.

This afternoon the hon. member for Vancouver Quadra mentioned that we had put a section in the Canada Water Act to greatly reduce the amount of phosphates in detergents and eventually to eliminate them. He knows that the government would not have included that section in a month of Sundays without the flood of letters, telegrams and briefs from people all across the country. These people were armed with knowledge gained from Pollution Probe, STOP, SPOT and other organizations. This strengthened the hand of the minister and the government and enabled them to say phooey to the big soap lobbies that were prowling around.

[Mrs. MacInnis.]

Mr. Deachman: You are doing it, Grace.

Mrs. MacInnis: I am telling you how it was done; it was through volunteer citizen groups. It is they who police the environment, given the knowledge, the initiative and leadership. I suggest that it is the job of the Minister of the Environment to lead campaigns to give this knowledge and leadership to voluntary citizen groups which represent the entire community instead of just individual, interested sections. It is only people representing the whole community who can save and protect our environment.

Some hon. Members: Hear, hear!

Mr. E. F. Whelan (Essex): Mr. Speaker, coming from an area so close to the Great Lakes and the problem of international pollution I thought I should take part in this debate. When I read the motion I thought it sounded reasonable. I thought the debate would be more constructive than it has been so far; perhaps it has and I missed it. However, after listening to members of the opposition, especially members of the New Democratic Party, I feel that the motion was probably moved for nothing more than political reasons.

• (2040)

If one were to read the record one would find that many statements made about pollution are exaggerated, unfounded or even fabricated. For instance, Mr. Speaker, hon. members have talked about a ship going aground off Vancouver Island. We are all concerned about pollution. We are interested in this matter. We have listened to different stories about this ship. Radio and television commentators and newspaper reporters have described how the ship sank and discussed the possibility of oil pollution. I think those stories were exaggerated, especially after listening to the hon. member who visited the area. I am referring to the hon. member for Comox-Alberni (Mr. Barnett), a member of the NDP whom I got to know very well on the fisheries committee. He said that he did not see any oil in the area except around the ship itself. He did not talk about the environmental damage, etc., that was supposed to have been caused. He took a constructive attitude and told us what he saw. That is not the impression one would gain from reading the newspapers.

Mr. Howard (Skeena): What the hon. member said was right at that time, but that is not the situation today.

Mr. Benjamin: The ship is now leaking, as the hon. member is.

Mr. Whelan: We have heard what has been done in the Great Lakes. How many really know what has happened in the Great Lakes? I wish to quote from an article which appeared in the Windsor *Star*. It was written by a noteworthy reporter and is entitled, "Extension for lakes clean-up bid". The sum of money mentioned may not seem much to some but it is a great deal in my area. They are spending $500 million on this package.

Mr. Benjamin: That is cheap.

Mr. Whelan: The article reads in part:

Federal and provincial officials met behind closed doors in Ottawa last week and agreed to continue a pact which will result in the spending of $500 million to fight water pollution from municipal sources along the lower Great Lakes.

The article goes on to say that according to sources in Ottawa there is a "99.9 per cent chance" that President Nixon will sign this agreement "when he visits Prime Minister Trudeau ... April 13 to 15." Let us talk about what has been done in the Great Lakes.

Mr. Benjamin: That shouldn't take long.

Mr. Whelan: More has been done in the Great Lakes than most people are aware of. I am speaking of cleaning up the Great Lakes, Mr. Speaker. I am not condemning anyone. What has been done by those in authority? We know that pollution in the Great Lakes has been caused mainly by our American neighbours. I was going to say, neighbours to our south, but some of them live to the north of me.

Generally speaking, the pollution began in the Great War when no one paid attention to anything except production. There have been attempts to clean up the river, especially from our side, and there have been attempts to clean up the Great Lakes. Take the city of Windsor, for instance. Every bit of its sewage now goes through some kind of treatment plant, whether primary, secondary or tertiary: not one bit of sewage from Windsor goes untreated into the Detroit River. In some of the surrounding areas plans are being made for primary and secondary treatment plants and in some areas tertiary treatment plants are being planned.

These installations have been built within the time limits set by the federal government and the municipalities doing the work will receive substantial reductions both in interest rates they must pay and in the size of loans they can obtain. Both the city and county have made good use of such funds. Also, Mr. Speaker, we do not use as much salt in our part of the country as others. One would expect us to use less because of the warmth of our climate; even so, the use of salt has been drastically curtailed. I am told we are using less in our area than ever before.

Let me talk a little about the country, Mr. Speaker. The town of Amherstburg in the last three or four years has installed a sewage treatment plant. The town of Kingsville has installed a sewage lagoon. The town of Leamington, which is practically a city, has installed a treatment plant. Essex has installed a sewage lagoon. Belle River, Harrow and some of our other smaller communities have plans on the drafting board or are in the process of letting tenders for sewage treatment facilities. Talk to the people of my area; they may not be 100 per cent satisfied but they recognize that much has been done.

Those in positions of administration and those directly aware of water pollution—for instance, the Lake Erie fishermen—know how much has been done both by federal and provincial authorities. For instance, fishermen on Lake Erie know that two years ago if they cast their nets they lost sight of them two or three feet under water. Today they can see them 15 or 20 feet beneath the surface without difficulty. Talk to the aqualung divers; they will tell you that today they can see for 30 feet when 60 feet under water, whereas before when they were 50 feet under they had to feel their way around salvage operations. Let us see what industry has done to overcome pollution. Under pressure from federal and provincial governments, firms like Chrysler, one of the largest concerns in the area, have cleaned up their operations.

Mr. Howard (Skeena): That is because the polluter must pay.

Mr. Whelan: The pollution coming from that plant is at a very low level, practically zero. They have taken advantage of new depreciation provisions applying to pollution abatement equipment.

Mr. Howard (Skeena): The polluter must pay.

Mr. Whelan: The same has happened with Ford. No more oil comes from the plant; they have changed over to natural gas, I believe. GMC has done the same. Actually, GMC has done so well in filtering effluent and in removing oil that used to come from the transmission plant that the waterways around the plant are now full of tropical fish. I do not know what is being put into the water, but the fish are propagating more quickly than biologists expected. I am pointing these things out because many people are trying to get the idea across that there is no program for fighting pollution and nobody is following up pollution problems. For years the Allied Chemical plant in my area was one of the worst polluters. That plant is not causing any more trouble because they have switched to bunker-C oil and their chemical wastes are being dumped into large settling bins.

Mr. Benjamin: You had to pay them off to do the right thing.

Mr. Whelan: That project meant 600 jobs in the area. Some of these programs that were worked out between federal and provincial authorities may have been a little late, but they were carried out.

Mr. Howard (Skeena): Yes, when the minister said the polluter must pay.

Mr. Whelan: I know that pollution is damaging. However, directly or indirectly the government has helped to curb the sort of pollution I have mentioned. I have heard hon. members suggest that the federal government should administer more of these anti-pollution programs and should be given more authority in this area. I am inclined to think that the federal people should be given more authority. We talk about great distances in this country as if everybody in Ottawa was far away from everybody else. I do not think that viewpoint is right, especially when we can in a relatively short time cross this nation by aircraft or reach somebody by telephone in a few minutes.

• (2050)

When we reflect that in this modern age we can cross this nation and back in less than 24 hours it is difficult to realize the need for having so many different offices in various parts of the country all with authority to deal with one phase or another of this subject. One of the main

obstacles we encounter in Canada is that each province wants to run its own little show, to decide what it is willing to do about pollution, what steps it will take to induce industry to establish itself in the area, and so on. I am inclined to be a federalist, Mr. Speaker, believing we could control our environment better if the authority to do so were in the hands of the federal government. When I think of what we did in respect of our fisheries under the present constitution, the way we handed over those fisheries rights to the provinces, some by letter and some by order in council, and the way these are being administered in the different provinces, I realize this sort of opting out by the government leaves a lot to be desired.

A few months ago I attended a conference on the environment held in Bonn, West Germany. Before I went there I thought we were far behind other nations in the world, but after attending this conference in which representatives of some 22 other nations took part I formed the opinion that we were far ahead of many other countries. This parliament and this government have nothing to be ashamed of when it comes to what has been done in the last four years to control pollution. As late as this evening I received a letter from my local Pollution Probe group—a very active and responsible group of people.

We very much hope that an agreement will be reached soon between the Prime Minister (Mr. Trudeau) and the President of the United States which will eliminate some of the air pollution coming from the south across the river. Groups such as the one I have mentioned have done tremendous work in suggesting legislation and following up the legislation which has been handed to them for use. It is possible that we, as federal members, have been negligent in not assisting them with our advice in the past. However, with the limited facilities available to us in Ottawa it is hard to do more than carry on our duties in our offices on Parliament Hill.

As to pollution of the Great Lakes, I have a stack of books and reports on this subject; I could fill a wheelbarrow with them. I think it is time an agreement was signed. It is time the Americans did something to clean up the pollution on their side so that more could be done on the Canadian side.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am deeply concerned by the problem of pollution mentioned in the motion proposed by the hon. member for Kootenay West (Mr. Harding).

We are a hundred per cent in favour of this plan, and we and many others would like to see something done and to see the causes of the pollution which we now experience in this country eradicated.

Mr. Speaker, pollution has become one of the most urgent issues of our day. In fact, it is a threat to our survival and that of generations to come.

In face of those facts, we all agree that means have to be found to solve this problem.

I think, Mr. Speaker, that under the present system we have considered so far that it was more important to preserve the financial system than to protect mankind. Yet, this financial system, which is becoming stronger by the day, deprives citizens of the means to build purification plants to protect us from pollution, which is becoming more and more serious every day.

[Mr. Whelan.]

In the face of this, we must say that the causes of this problem are not new. We must admit that we have been hearing about pollution for several years, but also that the problem has not been solved, even though we have found solutions to it.

We have had experts make studies in order to find means to eliminate pollution. And the solution lies in building treatment plants of different types. We have everything required to do so. We have the know-how. Nobody doubts that we could find the skills required to draw up plans, to solve these problems in every municipality.

Mr. Speaker, we have not solved the problem yet. A mere handful of plants have been built. At what cost? With funds borrowed at interest rates of up to 9 or 10 per cent. I know municipalities which borrowed at 10 per cent interest to build waste treatment plants. Being already in debt, they took on additional burdens. The federal government therefore was able to help them. We know the contributions the government made to assist them, but they are inadequate.

Most municipalities have not been able to avail themselves of federal or provincial assistance.

• (2100)

Mr. Speaker, the fact remains that we are facing a tremendous pollution problem. All citizens agree that it is becoming more serious every day. It has become increasingly serious for the people, and for animal life in the water, in the air and on land. Because of that pollution, animals are dying, especially fish. We find many fish along the banks of our rivers and lakes, the victims of pollution, while we should be doing everything possible to protect our natural resources.

Mr. Speaker, we must find the means of remedying the situation. At the present time, the government wastes money right and left, spending on local initiatives and opportunities for youth projects.

Some hon. Members: Oh, oh!

Mr. Latulippe: Millions of dollars are spent on those programs, 90 per cent of which are wasted.

Some hon. Members: That is not so.

Mr. Latulippe: We could have invested that money, created assets and protected the people.

We could have protected the lives of our citizens. All available funds, the action of youth and their studies can be used to fight against water pollution. We can make them continue their studies and draw up plans. We can encourage them to assist municipalities. With those funds we could lead our young people so that they may do something practical and useful instead of wasting our money for all kinds of silly undertakings.

Mr. Béchard: Does the hon. member mean that Quebecers and Canadians are spendthrifts?

Mr. Latulippe: Mr. Speaker, I do not want money to be wasted. At the present time, I am sure that money is wasted right and left, thus giving no return nor creating any asset in the country. We are destroying the country instead of building it. We must build rather than destroy. Then, all the money, all the resources that we can make available to citizens must be used to build.

I would draw the attention of this government on the necessity of protecting the people because we do not have the right to waste their money on futile causes, when there are so many useful things to do.

I agree with some hon. members. Once all these big problems have been solved, we may waste as much money as we have, if there is any left to waste, which, in my opinion, is not going to happen very soon. All those funds must be used to protect the people and give them what they are entitled to.

Mr. Corbin: Everybody will go to the Créditiste paradise!

Mr. Latulippe: I know that we cannot solve everything, but I commend the motioner for having urged the government to give the municipalities and the public bodies money at low interest rates so that they may build something, so that they may at last have some means in order to remedy the problem of water pollution.

It is very difficult to solve the problem of pollution, because the system itself is polluted, We must first clean the economy which is totally polluted.

Mr. Béchard: Especially the Créditistes from Quebec. Tell us about what happened on March 19.

Mr. Latulippe: I do not know what the hon. member is saying, I can make nothing of what he says. In any case, he speaks so often and about such useless things that one cannot understand what he says.

Mr. Speaker, we should express our opinion and decide once and for all to protect our human capital. This is human capital, the most valuable we have because there is no price for a human being. There is no price either for animals which we need to survive. There is no price for that.

Mr. Béchard: Everyone agrees with that.

Mr. Latulippe: I live on the shore of Lake Megantic in a town with a population of 8,000. From Lake Megantic to Quebec City there are some thirty municipalities and towns which discharge all their waste in the Rivière de la Chaudière, then into the St. Lawrence River. There are no more eatable fish in the Rivière de la Chaudière. Everything is polluted, including the St. Lawrence River. The water no longer flows into the river; it is so polluted, it rolls down.

Mr. Béchard: Is it Créditiste country?

Mr. Latulippe: Be they from Créditiste or Liberal areas, people have the right to live. Liberals have the same right as Créditistes, and Créditistes the same as Liberals or Progressive Conservatives. This right is universal, Mr. Speaker. I point out to hon. members that our sole obligation is to be intelligent enough to respect ourselves and to eradicate pollution, whether it comes from people or things.

We should work in that direction instead of wasting our activity, our time, our energies and our money on useless purposes. Let us do something useful. Let us build instead of tearing down. We owe it to ourselves first of all to build the most urgent and most important things, those that afford protection to the human race. The point is to protect ourselves and mankind. To succeed, we must take exceptional measures.

It is easy for the government to loan interest-free money to municipalities, as it does to foreign countries. There is good to be done in foreign countries—I admit it—but our country also requires large developments and we can finance them all through interest-free loans maturing in 60 or 70 years. If we can do it for strangers, we must be able to do it at home also; in fact, we can find the means to finance any plan, provided it is workable and materially feasible.

Now, it is materially feasible to build treatment plants, since the engineers are there and we have all the necessary materials. Many people are prepared to work; however, the funds are wanting, they are not available to the citizens in need of them.

The solution to the problem would be to put investment funds at the service of citizens. We must realize that a *de facto* situation exists and that we should therefore take the necessary means to eliminate the automatic pollution that we are experiencing today. I say automatic because everything is polluted altogether. The first step we must take is to decontaminate our waters. Thereafter, we shall endeavour to purify the air. Afterwards, we might be able to live decently.

Mr. Béchard: Mr. Speaker, may I ask a question?

The Acting Speaker (Mr. Laniel): Order, please. Is the parliamentary secretary rising on a question of privilege or on a point of order?

Mr. Béchard: Mr. Speaker, I would like to ask the hon. member for Compton whether he would allow me a question.

The Acting Speaker (Mr. Laniel): The hon. member may ask his question, but he must have the permission of the hon. member for Compton. The hon. member for Compton still has 30 seconds to answer it.

Mr. Latulippe: Yes, Mr. Speaker.

Mr. Béchard: The hon. member said a moment ago that it was easy to build water treatment plants, that engineers were available, and so forth. Is he aware that the Central Mortgage and Housing Corporation makes loans to municipalities at a very reasonable rate, and that further it pays a rebate of 25 per cent—which is rather substantial—of the total of the loan plus interests? Is he aware of that?

Mr. Latulippe: Mr. Speaker, I am certainly aware of that, as much as the hon. member is, but that assistance is not yet favourable enough to allow municipalities to resort to it because they are already heavily in debt, which prevents them from incurring new debts. Then other means have to be used to assist those municipalities.

Mr. Pepin: What means?

[*English*]

Mr. Gaétan-J. Serré (Nickel Belt): Mr. Speaker, being concerned, as I am, about pollution I welcome this opportunity to say a few words on the subject. First, I should like to say that the way this motion has been put before us smacks once more of NDP political opportunism. To pretend that the federal government has done nothing in the field of pollution is pure fantasy. During the Throne Speech debate at the beginning of the second session of this twenty-eighth Parliament, the Prime Minister (Mr. Trudeau) pledged that the total resources of his government would be brought into play to prevent the advancing menace of pollution in our country. These words have not remained dead. Since then a ministry of the environment had been created to cope with the rising problems and a number of important and extremely effective pieces of anti-pollution legislation have been passed, such as the Canada Water Act, the Motor Vehicle Safety Act, the Territorial Sea and Fishing Zones Act, the Arctic Waters Pollution Act and the Canada Clean Air Act. I could go on and on.

• (2110)

Furthermore, before blaming the federal government for not acting one should remember that the federal government does not have complete jurisdiction in the environmental field. The provinces have a great deal to do in that field, but some are not doing their job. They are reticent indeed to stand up to the big companies with regard to setting up pollution standards and taking legal action against those infringing regulations as to standards. Is the federal government to blame for provincial inaction?

What about municipalities which dump raw sewage in nearby rivers? Of course, mechanisms are already in place, as the hon. member mentioned a while ago, to assist municipalities to build newer and more efficient facilities. However, some are not taking advantage of this. Is the federal government to blame for this inaction?

When I consider the government's realization and the inaction of other levels of government, I cannot help but be surprised at and in disagreement with the motion of the hon. member for Kootenay West (Mr. Harding). I do not mean that I do not care about pollution: on the contrary. I represent an area of Canada which is probably one of the most affected by this problem. Indeed, in Sudbury, "pollution city Canada" as it is often referred to, the damage done by industrial wastes to every aspect of the environment is so obvious and staggering that anyone contemplating a clean-up would hardly know where to start.

For 3,200 square miles around downtown Sudbury, vegetation has been seriously injured or destroyed by poisonous sulphur-dioxide fumes from the giant Inco and Falconbridge operations. Not only air pollution but water pollution represent a great threat in my area. Much of the Vermillion River watershed in the area has been polluted for years. The nearby resort areas at Massey on the Spanish River are strangled by the stench and waste from a pulp mill at Espanola. Also, many of our beautiful lakes in the area are quickly becoming polluted. Soil pollution is also a major concern. The three million tons of sulphur-dioxide discharged annually has thinned natural vegetation. Because of that the first layer of soil is almost all eroded. In consequence, the area in and around Sudbury looks as though it had been transplanted from the moon. As a matter of fact, the American astronauts came to practise in the Sudbury area last year. As I have said before in this chamber, the situation in the Nickel Belt area has become alarming. The provincial government, which has jurisdiction over mining companies, has been remiss in its duty in not forcing the companies there to take preventive measures long ago.

Heavier fines should be imposed on all polluters. I mean all polluters, not only the mining companies but the municipalities which do not properly dispose of their wastes, and the individual who throws trash on the road or anywhere else. All levels of our society should be penalized if they allow pollution; it is fast becoming a question of life or death.

Measures have recently been taken by the provincial authorities with regard to air pollution in Sudbury. Last year they installed a monitor on Ash Street in Sudbury. What a joke! If the wind happens to blow the smoke that way, which it seldom does, we are told that the pollution index is going up; and if it goes up too much the company will be asked to cut down on its operations. We need more monitors. We need them at least in the four corners of the area. Why are they not there, Mr. Speaker? It is because they know very well that most of the time the index would be beyond the acceptable level.

Although the Sudbury area is badly hit by both air and water pollution, the outskirts and the rest of northern Ontario is still fairly free of contamination. It is still beautiful country. That is why I feel that preventive measures should be taken immediately. I have asked before, and I repeat my plea, that a research and control centre be established in Sudbury at Laurentian University.

An hon. Member: Right away.

Mr. Serré: Yes, tomorrow. Such a centre could carry out research on pollution control, which would assist the companies. It could also co-ordinate the efforts of all levels of government and all interested groups. It would help bring back and keep this vast region of northern Ontario as a tourist paradise and a healthy place for our children.

[*Translation*]

Mr. Speaker, a healthy environment concerns the federal, provincial and municipal governments, as well as each individual.

I am happy to have had this opportunity of dealing briefly with this crucial problem which my fellow citizens of the great constituency of Nickel Belt consider to be problem No 1.

In conclusion, I once more urge all my fellow citizens, municipal authorities and above all provincial authorities to stop merely discussing the damages wrought by pollution and to follow the example set by the federal government, i.e., finally resort to action.

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I want to become involved in this debate primarily because, as many hon. members know, I represent a significant constituency, Hamilton West, which of late has been plagued with a profound concern about pollution. Earlier I listened to the minister. As I reflected on what he said I wondered whether it was the same Minister of the Environment and Minister of Fisheries (Mr. Davis) who in January, 1970, said:

> I don't believe all that I read about dying lakes and sickening seas. Most of it is poppycock-written by novices who are reaching for headlines—

In the Speech from the Throne debate in the same year the minister said:

> The evidence of past failure to rehabilitate our water resources is there for all to see—befouled water, despoiled beaches, rotting marine vegetation, and diminished fishing.

• (2120)

That is the same man, holier than thou, who spoke today. This is one minister for whom I have a great deal of respect because I believe he is sincere. At the same time, I have my doubts when I reflect on the statement he made in January, 1970. Now that we have a Minister of State for Urban Affairs (Mr. Basford), I believe this is the time when it is absolutely incumbent upon us to become involved in tri-level conferences in order to receive some input and acquire direction concerning where we are going.

I know we have passed many bills, some of which have been improved because of the tenacious attitude of opposition members. It is not necessary for me to mention all of them. They include the Canada Shipping Act, the Navigable Waters Protection Act, the National Harbours Board Act, the National Parks Act and the Canada Water Act. What I wish to concentrate on is an anomaly which exists in the city of Hamilton, a city governed by an act which was passed in 1912. This is what has brought the attitude of the city of Hamilton, its citizens, the city council, the province of Ontario and the federal government into focus.

Here we have an act which as a result of legislation gives us three individuals, two appointed by the federal government and one appointed by the city council, who have the right to look into the problems regarding Hamilton harbour in terms of future development. But suddenly it seems to me we have found that here we have an act which is archaic and fit for the horse-and-buggy days. It has been disregarded so far as the federal government is concerned. What concerns me is the fact that the Minister of Transport (Mr. Jamieson) is interested in seeing that there are more commissioners appointed to the Hamilton Harbour Commission without giving any indication as to whether this act is to be updated and brought into focus in terms of being meaningful legislation for the 1970s and the future.

I think such an attitude on the part of the minister leaves a great deal to be desired. We have a situation in which the city of Hamilton, its council and its citizens are very concerned about who has jurisdiction over development and land use. It is in this area, as a result of having an archaic act, that there are men—and I say this with a great deal of respect—who are more interested in their duties in respect of the harbour commission than in exercising reason as citizens of Hamilton. These men have perhaps missed the boat. This may be the reason there is now a great conflict before the Supreme Court of Ontario. If the Minister of Transport intends to bring in an amendment to this act, I will not give my consent to an increase in the number of commissioners until he gives me some indication that simultaneously there will be an amendment or amendments to the act to make it more meaningful in terms of the development of Hamilton.

I think we must arrive at a balance between industrial development and the protection of our environment. This act does not seem to fit the bill at the present time. I am very concerned about why this government believes it has done all it can. The moment we say to the government that what it has done is good, though questionable, and more must be done particularly in respect of standards which should be set, members of the government indicate that the opposition, particularly the NDP and our party, is not sincere in its motives.

Surely air and water must be preserved and protected from misuse and abuse. Air and water are our most precious natural resources. In the past ten years we have found an excitement among people, ranging from children of kindergarten age to high-powered lobbyists, who point the finger at us and tell us to take whatever action is necessary. This is what we are saying in the motion. Earlier I brought in a motion in respect of the disposal of solid waste. We are now considering a similar motion.

We must continually remind ourselves and the government that it is necessary to focus attention on the problem of pollution and give it very high priority, because unquestionably if we do not we cannot be saved. That is not simple rhetoric; it is fact which has been researched and brought before the nation and the world. As we bring more people into Canada, particularly into Ontario, we find that population and industrialization increase. This means of course, an increased demand on our water and air resources. This also means that manpower is required for our industries, and the industries provide employment. Therefore, we find industry and population contributing together to air and water pollution.

The demands on air and water and the amount of waste discharged have grown simultaneously. It is not necessary to remind you, Mr. Speaker, of the home-heating, the automobile transportation and the industrial manufacturing which is accelerating the pollution of the air and water which we find so necessary in terms of our daily lives. I wonder whether it is fair to say that as a result of the increase in population there are more demands on industry in order to provide necessary goods and services.

I wonder whether it is fair to say that the polluter must pay. I wonder whether we should be looking for an approach which calls for incentives whereby the responsibility is shared. When we say that the polluter must pay, it

seems to me that indirectly the cost will be passed on to the consumer who ultimately is the taxpayer. I think this should be a shared responsibility. When we say that the polluter must pay, I believe we are abdicating a certain responsibility. We might consider how the province of Ontario is growing and the density of the population. There are about 18 persons per square mile. In the urban industrialized areas the population increases dramatically. As I understand it, there are 5,000 people per square mile in Sault Ste. Marie, 6,000 people per square mile in Hamilton and 2,000 people per square mile in the city of Toronto. Here in Ontario there are 4,000 major industrial sources and at least 10,000 minor industrial sources of air pollution.

This is why I say we must be very concerned about our urban growth. A member on the other side asked whether an hon. member did not know there is a 25 per cent forgiveness under NHA. I think the member knows this. However, we are saying that if there is any sincerity on the part of the government, perhaps the forgiveness aspect of the bill should be increased.

I have had a bill on the order paper for some time. What I am trying to point out in it, without going too deeply into the matter, is that right now the act confines loans made to municipalities to trunk sewage collector systems and central treatment plants. My bill proposes that we not only look into this area but also permit loans for trunk water mains and trunk storm sewage collectors. Surely if the government is sincere in its attitude toward pollution they will agree that my bill makes sense. It makes even more sense when you consider that for a considerable length of time there has been only a 25 per cent forgiveness provision.

In the bill that I have proposed—perhaps there is some difficulty in this regard because it gets into spending power—there is provision for increasing the forgiveness amount from 25 per cent to 50 per cent and at the same time for providing a 100 per cent forgiveness if the projects carried out under NHA are carried out in the wintertime under the winter works program. We know that there is a 25 per cent forgiveness, but perhaps it is time we did more. I am concerned that in the areas which need attention—I am talking about our urban areas—the attention does not seem to be directed to the problems of the cities. I wonder why not. Surely we are all aware of the fact that section 92 of the BNA Act is not the end-all. We are no longer concerned with the constitutional hang-up in this regard because we have a Minister of State for Urban Affairs.

Mr. Rose: But he is busy running the campaign.

Mr. Alexander: All I say in conclusion is that the motion before the House is certainly worthy of our considered attention. It is a motion brought forward sincerely, one that comes as a result of a growing concern about pollution problems which have gone unattended. I hope the many suggestions that have been placed before the government this evening will be given considerable attention. Government members can give me the whole list of bills that have been passed, but I suggest they have still missed the boat by not setting any standards and by including an archaic act such as the Hamilton Harbour Commissioners Act which was passed in 1912 and amended in 1951 and in 1957.

Since the government is not taking any action to assist the municipalities further in this respect, which is within the government's power, by increasing the forgiveness powers in the act I say that the government is not sincere when it indicates that it is concerned about pollution. I have mentioned several areas where improvements can be made and I hope the government will take action. I repeat that if the minister brings in any amendments to the Hamilton Harbour Commissioners Act which relate only to an increase for the commissioners sitting on the board, then I will do my best to see that the bill does not get third reading because I believe it will have missed the boat. What we need is a bill expressing the feelings of the people of the city of Hamilton with regard to industrial growth and the protection of the environment.

• (2130)

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, I feel under a moral obligation to take part in the debate on the motion of the hon. member for Kootenay West (Mr. Harding) for several reasons, one of them being that a major part of the constituency I have the honour to represent in the House has tourism as its main industry.

The raw material of the tourist industry is environment, rivers, mountains and lakes.

After hearing the hon. member for Vancouver-Kingsway (Mrs. MacInnis) speak with such eloquence, praising the beauties of her province, I felt I also could stress the beauty of my constituency in "la belle province" of Quebec.

Mr. Speaker, I truly believe that we all recognize ourselves to be trustees of ecology, of our environment. We share joint responsibility to protect it. We must ensure that our descendants—

[*English*]

An hon. Member: What are you going to do about it?

Mr. Dupras: Listen and you will find out.

An hon. Member: Get on with it.

[*Translation*]

Mr. Dupras: —that our descendants will inherit as healthy an environment as we received.

The Canadian government, jointly with the provinces and the United States government, has already taken steps in order to protect the ecology. Those who have studied the problem of pollution and are familiar with it know very well that this is not a problem which can be solved by one government alone, be it municipal, provincial, or federal. Co-operation of all governments concerned is required to find a solution in order to protect the patrimony which we inherited from our forefathers.

Let us examine, Mr. Speaker, what some countries have done to protect the ecology—and I am thinking in particular of some European countries like Switzerland, for instance, which banned the use of snowmobiles. I do not think we are prepared to go to such extremes and ban use

of a machine which is a source of wealth for a large segment of the population of Quebec and other parts of the country.

Switzerland has also prohibited use of motor boats on most lakes because they felt that the water of those lakes was worth protecting, and that the worst pollution of lake waters is caused precisely by motor boats.

At the same time, Switzerland does not allow use of calcium or salt to melt snow on highways. They maintain—and rightly so—that calcium or salt tend to pollute rivers.

Obviously, Mr. Speaker, we are not prepared to take such drastic measures to protect the ecology. However, we in our part of the country, where very large sums have been invested in the building and developing of resort areas, are deeply interested in the development of our pollution control program.

• (2140)

A while ago, we heard hon. members of the opposition insinuate all sorts of things with regard to the so-called failure of the federal government to act and fight against pollution, to implement measures against it. Some of those measures were mentioned, but I would like to add a few. Someone referred to the opportunities for youth projects that were carried out in my riding. Our young people made praise-worthy efforts to enlighten the people, the adults, to impress them with the fact that fighting against pollution is not solely the responsibility of our governments, but that it is also that of the consumer, the people who, if they pay attention, if they can, can protect our streams, rivers, lakes and mountains.

Under the Opportunities for Youth program, Mr. Speaker, we have seen students devote two months during the summer to enlighten the people and attempt to prepare them to assume their responsibilities and make their contribution to the protection of environment.

We have also seen local initiatives programs which specifically undertook to clean our streams and our lake shores to ensure a better and fresher environment for Canadians.

No doubt, Mr. Speaker, pollution is threatening our people and its effects on our country—which nature has richly endowed in terms of splendour, size, great number of streams and lakes—point to the vital importance of that issue.

On the other hand, our resources will be destroyed very soon if people do not watch over them and if we fail to take the appropriate steps as soon as possible.

That is probably why the provincial government wants to generate electric power on James Bay, a priority for Quebec authorities.

Mr. Speaker, I have had the opportunity of discussing the effects and costs of producing electricity through nuclear fission, and I am informed that wastes from nuclear reactors will become a most serious problem over the next 25 years because we have grown used to burying them in concrete caissons on the bottom of the ocean. Since the ocean belongs to everybody, this very seriously jeopardizes underwater forms of life. If some day one of the caissons should explode and should a large portion of the ocean be contaminated, what would happen then?

The solution to the problem lies, I think, in the development of hydroelectric projects through the use of hydroelectric energy, which produces no fall-out whatever nor any waste that could pollute the environment. The resource that are our streams should be developed further in the interest of Canadians before there is thought of selling this electric power to our neighbours. The last years of the 20th century will demonstrate the very great value of electricity, a wealth which our neighbours to the south already envy us, as they have discovered that the salvation of the ecology and the environment in North America lies in the development of hydroelectric power to produce the electricity that is sorely needed.

Those are the few remarks I intended to make during this debate, Mr. Speaker, in order to put across the views of a representative of a part of the province that depends on this integrity of the ecology, the environment, to which we attach a great deal of importance because, as I said at the beginning, the ecology or the environment is our raw material, a raw material which we have in abundance but which could very soon be depleted.

It is of such an importance, Mr. Speaker, that we must encourage the government to look into this problem and to find the proper solutions as rapidly as possible.

[*English*]

Mr. Doug Rowland (Selkirk): Mr. Speaker, I want to use the time available to me to deal with three aspects of the resolution that is before us. First, I would like to deal with the need for national standards for pollution control and the constitutional problems associated with this need. Secondly, I would like to suggest some immediate action that the federal government could take in order to diminish pollution and at the same time create a large number of jobs and assist the disadvantaged regions of the country. Thirdly, I would like to take a moment to discuss the necessity for citizen involvement in environmental control.

The need for national standards for pollution control has been argued at length by my colleagues, in this debate and in others. The most compelling argument for a paramount federal role is economic in nature. Because of the disparities in economic terms which exist between the provinces, the failure to provide a paramount federal power is to invite provinces to compete for industrial development on the basis of more relaxed pollution laws. Economically weaker provinces are unlikely to resist the temptation to entice industries to locate within their borders by lower capital costs and operating costs which might well result from less stringent anti-pollution regulations.

One need look no further than at the current reaction of the provincial governments of Nova Scotia and New Brunswick to the terms of the Maritimes claims fund for an illustration of this. Faced with the threat of the withdrawal of development funds by large corporations, the two provinces are raising the roof. Adjustments in the federal law may be necessary, but I ask myself if there would be any meaningful controls at all in those provinces if it were not for the federal presence. I think not, Mr.

Speaker, because the primary preoccupation of the governments of those provinces is the creation of jobs for their people, and they will use any means at their disposal. Unless there is a federal presence to set down the parameters within which they must operate in creating those jobs, they are likely to create pollution havens.

It is important to draw the attention of the House to the fact that the recommendation for national standards contained in this resolution is supported by a recommendation of the Joint Committee of the Senate and House of Commons on the Constitution, the report of which was received last week. If I may, Mr. Speaker, I shall read recommendation No. 100 which is found at page 91 of the report. The committee recommended:

> Control over the pollution of air and water should be a matter of concurrent jurisdiction between the provincial legislatures and the federal Parliament, and, as in section 95 of the British North America Act, the powers of the federal Parliament should be paramount.

That is a recommendation of a committee which was composed of members of all parties in this House and members of the Senate. There is little doubt in my mind that the federal government could succeed in gaining provincial consent for a constitutional amendment which would incorporate the substance of the committee's recommendation if the government were to begin immediately to seek such agreement. There is absolutely no excuse for the federal government not to begin seeking such an agreement on a priority basis, because our attempts to control pollution will never be effective as long as the question of who has jurisdiction remains both complicated and confusing. So long as doubt remains about who has jurisdiction, it will be used by politicians who wish to avoid acting as a means of avoiding action.

I wish to again quote from the report of the constitution committee, also at page 91, as follows:

> Federal and provincial sources in the BNA Act for pollution control are many. For example, provincial jurisdiction may stem from "property and civil rights in the province", "municipal institutions in the province", "local works and undertakings", "generally all matters of a merely local or private nature in the province". Federal jurisdiction, on the other hand, depending on the class of subject dealt with in the legislation, might arise from "the criminal law", "navigation and shipping", "sea coast and inland fisheries", and "the regulation of trade and commerce".

As my colleague from Kootenay West (Mr. Harding) has argued, ambiguities in the constitution need not prevent action. However, the fact is that they do and they will continue to do so until they are removed. Thus, it is clearly and urgently necessary that federal and provincial governments, at the same time as they bring forward legislation to clean up our environment, seek to achieve agreement for a constitutional amendment incorporating the substance of the recommendation of the joint Senate-Commons committee to which I have referred.

• (2150)

I might say at this point, Mr. Speaker, that when members of the government present a catalogue of legislation which has been passed by this parliament, I am not impressed. I congratulate them for doing that much and I hope the legislation is improved by members on this side of the House; however, if they were really serious about dealing with the problem of pollution adequately and ending it once and for all the major emphasis at this point would be on clearing up the ambiguities which now exist in the constitution. They would find a great deal of approval for this effort amongst provincial governments.

If I might be permitted one further comment on the committee's recommendation, I wholeheartedly endorse the recommendation that the matter of pollution be one for concurrent jurisdiction with federal paramountcy. That would allow the federal and provincial governments to legislate but when there was a conflict the federal government view would prevail. This would make it clear that any federal standards, any federal law would be paramount and provide for national minimum standard but it would allow also for the possibility of a wide degree of innovation and experimentation in the legislation designed to control pollution and enhance environmental quality. Beyond that, the committee report reads at page 92:

> —because the new pollution power would be concurrent, that necessarily greater federal-provincial and province-to-province planning and co-ordination would result. The superior financial and research capabilities of the federal government, especially in relation to the smaller provinces, can be brought into play through the concurrent power itself and through the federal spending power, if necessary.

The resolution before us also emphasizes the need for the federal government to make available low-cost loans to municipalities and to certain industries to ensure that there is no further delay in the building of sewage treatment plants and the undertaking of industrial clean-up. The advantages which would accrue to us from such a program, through enhancing the quality of our environment, by ending the dumping of raw or only partially treated effluent into our rivers and streams, for example, should be manifestly obvious.

Think of the jobs that would be created by such a program—in construction, in design, in manufacturing and in research. Why not extend the program to provide sewage treatment facilities and water for our rural communities in an effort to enhance environmental quality, in an effort to reduce the disparities in creature comfort between rural and urban life, in an effort to inject new life into such communities by making them a more attractive alternative for the location of commerce and industry to our already congested, overcrowded and polluted cities?

This approach, this demand for federal government involvement in creating that kind of infrastructure, these kinds of sewage treatment and water facilities in rural areas, has already been made by the Interlake Development Corporation in Manitoba. The provincial government and the federal government are being petitioned by communities in the area such as Arborg and the town of Winnipeg Beach. The provincial government is taking action. I see no reason why the federal government, if it is serious about cleaning up the environment and removing economic disparities, would not be talking about concurrent action. That action could be taken under DREE; it could be taken under any number of federal government departments. I should like to see that kind of action taken by the federal government post-haste.

Why not extend the kind of program envisaged in this resolution to our larger cities for the creation of means of recycling waste, for research and development into the

manufacture of useful products from garbage and waste? Other countries are doing this. In some German cities garbage disposal plants are using the heat generated from the burning of garbage to produce electrical power. It is now possible to produce protein from celluloid which can be produced in turn from waste paper. It is now possible to produce motor fuel by the treatment of human and animal waste. Why are we not looking into this and why is federal money not available for research and development in this area?

Why not extend the program suggested in the resolution to encourage the development and use of such simple devices as garbage-shredders and compressors which would reduce the volume of garbage which municipalities must dispose of? Again, think not only of what such a program could do for environmental quality but think of the jobs, the useful employment it could create. Think of the export potential for the devices for environmental control which the ingenuity of the Canadian people would undoubtedly produce, if properly encouraged, as other nations move in the same direction.

But we cannot leave the problem of environmental management solely in the hands of the government. In making this, my third and final point, I am not thinking exclusively of the somewhat abstract and academic value of participatory democracy. I am also going beyond the very useful suggestion of an environmental council contained in the resolution. I am saying that I am afraid to leave any matter so important in the government's hands without providing the citizens of this country with the means of judging whether or not the government is doing a proper job.

This means that information on pollutants and polluters which is made available to governments must also be readily available to the public. It means that governments must be prepared to provide responsible citizens groups with monitoring equipment and instruction in its use so they can collect their own data and check it against data provided by industry and government. It means that governments must provide financial assistance to responsible citizen groups engaged in policing pollution so that these groups can continue to operate effectively.

To see the necessity for such provisions, those of us participating in this debate need only examine our own motivations. How many of us would be speaking if it were not for the fact that organizations such as SPEC, Pollution Probe, STOP and SPOT had brought the problem of the deteriorating quality of our environment forcibly to our attention, and if they were not in our communities prodding us into action when we show signs of slacking off? I think if each of us were to answer that question honestly there would be no doubt about the absolute necessity for equipping Canadians to judge for themselves the efficacy of their government's efforts to combat pollution.

• (2200)

Mr. Speaker, I see it is ten o'clock.

The Acting Speaker (Mr. Boulanger): It being ten o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 48(11) proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—RENT INCREASES FOR MARRIED QUARTERS—ACTION ON COMPLAINTS

Mr. David MacDonald (Egmont): Mr. Speaker, I am grateful for the opportunity to return to a matter which I raised with the Parliamentary Secretary to the Minister of National Defence (Mr. Comtois) on Friday last concerning the recently announced changes in the rent structure of married quarters on Canadian forces bases in this country as well as some of the military housing that is provided off the bases. In recent days I think the department has been inundated with complaints about these changes, but nowhere I think is the situation more exacerbated than with respect to the Canadian forces base at Summerside, Prince Edward Island.

On Friday last, when I asked the parliamentary secretary what action might be taken with respect to the seemingly unjust proposals put forward by the Department of National Defence all he could report was that there were indeed changes being made and that some 8,000 units would have the rent reduced. What he did not say, of course, is that the remaining two-thirds will have the rent increased. Of course, he made no reference whatever to the situation off the military base itself.

One of the things that is particularly shocking about the present situation is that seemingly there was no consultation with those directly affected. The changes proposed under the new rent structure as of April 1 have to do with the establishment of a new rent structure under the aegis of Central Mortgage and Housing Corporation. Central Mortgage and Housing have proposed that where possible rents being charged from PMQ or bulk lease housing will be equivalent to normal rents charged in the adjacent area. One must assume, therefore, that when the rent structures were established for Canadian Forces Base Summerside, Central Mortgage and Housing entered into what most people of Prince Edward Island would regard as a bizzare equation. They compared Slemen Park with adjacent communities.

Slemen Park, I might explain, consists of the married quarters at Canadian forces base Summerside. One might call it a town in itself. It has its own store, bank, bowling alleys, swimming pool, skating rinks, schools and all the facilities and usual amenities one expects to find in a medium sized town. Instead of saying that this is a self-contained community, the Central Mortgage and Housing people compared it with rural communities close at hand. In this case one must assume that those communities were Miscouche and St. Eleanor's. These rural communities, however, are without many of the amenities of a town and therefore the people there pay a rent that is that much lower.

Then the Central Mortgage and Housing people went to Hillcrest, the bulk lease housing area within the boundaries of the town of Summerside itself. I might explain that Summerside is a town of some 10,000 people. Central Mortgage and Housing said, "How much would it cost to rent a home within the confines of Summerside itself?" What they came up with was an equation under which most people in Hillcrest would pay more, in some cases $13, $15 or $17 per month, while rents at Slemen Park might be reduced by some $20 or $30 a month, thereby creating a new differential of between $30 and $40 a month.

That in itself was serious enough, even if one forgets other forms of discrimination. Those who have established rents at Slemen Park have included in those rents the cost of utilities such as heat and light. The people of Slemen Park, of course, do not pay transport expenses to go to and from their work. Those who rent in Hillcrest, on the other hand, would pay something like $20 a month or more for heat and up to $20 a month for light. They incur transportation costs in going three miles to work and there are also extra school costs. Therefore, on the average Hillcrest families must pay an extra differential of about $70 a month.

It is particularly shocking to think that such a situation could be permitted, particularly since service people at CFB Summerside have no choice as to where they are to be located. It is true they can apply for housing at Slemen Park. However, they must accept what is offered to them when that offer is made. If they refuse, naturally they drop to the bottom of the housing list. So we have people in a captive situation.

I might add, in parenthesis, that they would not be captive if they decided to live outside the forces establishment altogether, that is, outside either PMQ or bulk lease housing areas. However, if they are to accept accommodation provided by the military, they are in a captive position. To my mind, great injustice is being perpetrated in these circumstances. I know from complaints received from other personnel living in married quarters, particularly at Chatham, New Brunswick, that a similar situation must prevail there as well.

Rents for military personnel in the past few years have increased substantially and I begin to wonder if pay increases such personnel have been granted from time to time are not being totally obliterated by rent increases. I hope, therefore, that this evening the parliamentary secretary will assure me that this matter is being fully reviewed and that there is some hope of bringing about an equitable adjustment for those who are adversely affected.

Mr. J.-R. Comtois (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, for the period April 1, 1968, to March 31, 1972, charges for married quarters were set by averaging the appraised rental values of all similar types of houses at all bases in Canada. These appraised rental values are set by CMHC, based on equivalent civilian market rentals by areas. Under this system the same charges apply to the same type of house regardless of location. In high cost areas this charge was lower than local rents. the difference being made up by occupants in married quarters in low-cost areas.

[Mr. MacDonald (Egmont).]

During the past four years rentals have increased greatly in urban areas while those in rural areas have remained relatively constant. With the ever widening gap in appraised rental values, the subsidy required from occupants in rural areas became too high and continuation of the averaging system beyond March, 1972, was unrealistic. By late 1971 some servicemen were refusing to accept married quarters in some low cost areas where civilian rental housing was available at lower rents.

As stated by the former minister of national defence last December, the matter has been under study to determine whether some revisions are required. The result of this study produced the recommendation that the national averaging process be discontinued and effective April 1, 1972, the charges be set on the basis of appraised value by location.

Since civilian market rentals vary by location, so do married quarters charges. This has resulted in charges for 8,200 married quarters being reduced while the rent for about 150 will remain unchanged. In areas such as Summerside, rental values are low and all married quarters occupants will receive reductions on April 1. For the remaining 16,500 the monthly charge will increase by varying amounts—for instance, in Chatham, New Brunswick, where appraisal values are high. Charges to married quarters occupants will increase in set amounts by ranks, that is, to a maximum of $15 for sergeants and below, $17 for warrant officers and captains, $20 for majors and amounts for other senior ranks up to $30 per month for colonels. Had we remained on the national averaging basis, charges for all married quarters would have gone up.

Regulations make provision for any base commander to comment on the system and to submit details of any inequity which he feels may exist. Some submissions have already been received. These will be investigated by Canadian forces headquarters.

The Acting Speaker (Mr. Boulanger): Order. The hon. member for Don Valley (Mr. Kaplan).

Mr. Comtois: I am almost finished, Mr. Speaker.

Mr. MacDonald (Egmont): On a point of order.

The Acting Speaker (Mr. Boulanger): Order. As the hon. member knows, he cannot, under the rules, raise a point of order at this time.

Mr. MacDonald (Egmont): I was about to say—

The Acting Speaker (Mr. Boulanger): This is not the way the rules are applied. I call upon the hon. member for Don Valley.

Mr. Forrestall: On a question of privilege. Do you mean to say there is no question of privilege?

The Acting Speaker (Mr. Boulanger): Order. The hon. member knows there is no such thing as a point of order or any such discussion under these special arrangements. The hon. member for Don Valley.

Mr. Forrestall: I rise on a question of privilege and ask you to make an order with respect to privilege.

The Acting Speaker (Mr. Boulanger): The hon. member will have to read the rules. There is no such thing as a question of privilege or point of order at this stage, after ten o'clock.

Mr. Forrestall: I will invite the Speaker to point out to me where it is stated that a member cannot raise a question of privilege.

INDUSTRY—AIRCRAFT—INQUIRY AS TO STATEMENT ON ASSISTANCE AND FINANCIAL COMMITMENT BY GOVERNMENT

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, this morning in the finance committee hearing on estimates officials of the Department of Industry, Trade and Commerce indicated we are on the verge of hearing about a major policy relating to aircraft development in Canada. Such a policy is long overdue and I seek assurance that it will be an effective policy.

• (2210)

Recently I had the opportunity to visit Washington to study civil aviation. This program of visits was conceived and financed by the Donner foundation. I wish to acknowledge with thanks the opportunity provided to develop some deeper knowledge of the subject. What did I learn, Mr. Speaker? Firstly, that Canada is considered to be at the very front of STOL, that is, short take-off and landing aircraft development in the world, notwithstanding the fact that our entire industry is foreign-controlled. The Canadian branches have, in competition with each other, set the world's standard for STOL aircraft. A number of these planes are in demand and in use all over the world.

Secondly, I was able to come to the conclusion that an important future part of the aircraft industry is in STOL development. The 747 may be bigger, the Concorde may be faster, but the market for STOL craft is, in my view, far more promising. STOL aircraft appeal increasingly to noise and pollution conscious people. They are usable more conveniently in densely populated centres which are already built up and where land is expensive. Additional advantages add to their appeal elsewhere. In this developing world where infrastructural systems are not well developed and air transportation is only beginning to become popular, STOL craft are more logical and more marketable. They are a human-scale aircraft concept.

Thirdly, I confirmed that the aircraft industry is a very big business. Even in small plane technology large investments are required. But it is a big business of a special type. It seems that it cannot depend upon the private sector alone for inspiration, for financing or for marketing. The colossal bankruptcies in Britain and in France and the insolvencies in the United States demonstrate this. These three countries are in the aircraft business directly at the government level. This is true even in the United States which is so dedicated to free enterprise in other sectors.

In this situation, let us not see the Liberal government do a re-run of the Bomarc disaster with which the Conservatives smashed the Canadian industry ten years ago, sending thousands of skilled Canadian workers to United States jobs. Let us at least do what our industrial partners in other countries are doing; let us help, and help generously and quickly.

This debate does not give me the time to develop the spin-off benefits which a healthy aircraft industry will generate in our economy. Let me just assure the House that several hundred thousand jobs are related fairly directly to the industry in its present state. I should like to make one final point for the comment of the minister. The Canadian public, the Canadian investor, has never had a real chance to buy stock in a Canadian-based aircraft company. If you want any part of the Canadian action you have to buy stock in the United States or Britain. This situation should be changed. I believe there are many Canadians who would welcome the chance to share the risks of the industry, especially if the government had a commitment to it and a sensible and forthcoming policy.

For these reasons, I urge the minister to include in this policy encouragement to Canadian subsidiaries in the industry to go public in this country.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not in a position to comment at any great length in view of what my hon. friend said about the nearness of the expected announcement. If it will not concern the total restructuring of the aviation industry, it will at least have to do with a certain research and development project known as the DCH-7, having to do with the DeHavilland company.

I agree with almost everything the hon. member said: with the importance of STOL aircraft, with the fact that Canada is ahead in this particular area, the importance of attracting the private sector of the Canadian economy, the importance of government support and the spin-off advantages. The name of the game in this particular instance is to try to bring all these factors together, and this is where the difficulty lies.

One can very well claim that there is tremendous usefulness for STOL aircraft, but he has to make sure that it is put together as a system. One can say that there is a tremendous need for STOL aircraft in developing countries, but in most instances developing countries do not have the necessary finances with which to purchase these aircraft. Consequently, a financing program has to be developed. Support has to be given in some cases through aid programs, and so on.

It is the difficulty of packaging all the elements of this problem that has caused the government, the Minister of Transport (Mr. Jamieson) and myself great difficulties in recent times. We all hope the conclusion of these present efforts will be at par with the spirit of enthusiasm demonstrated by the hon. member tonight.

PUBLIC SERVICE—OPERATIONAL GROUP—USE OF REGIONAL RATHER THAN NATIONAL PAY SCALES IN BARGAINING—POSSIBLE CONFLICT WITH DREE OPERATIONS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I am fully conscious of the fact that my intervention this evening will not be of sufficient public interest and force to push the usual headlines involving wars, revolutions,

rapes and murders off the front pages of Canadian newspapers. I am also conscious that my question about the principle of national pay scales in the public service will be more popular in Quebec and the Maritimes than in my own province of British Columbia, whose public servants stand to gain rather than lose by accepting the Treasury Board proposals toward regional rather than national pay rates within the public service.

After putting the question into what I believe to be a proper and rational perspective, may I now get down to the basic question. The basic question is whether or not it is to Canada's and Canadians' long-term benefit to adopt the position taken by Treasury Board in opting for regional pay rates for certain categories of the public service. That is the essential question.

The President of the Treasury Board (Mr. Drury) admitted in the House that this is the bargaining position taken by the government. He said this in reply to my question regarding current negotiations with stationary engineers in Public Works. I quote his reply:

> The answer to that, Mr. Speaker, is in the affirmative. It has been the policy of successive governments to move from a scheme of national scales of wage rates to ones which are more appropriate and more commensurate with local operating conditions.

When questioned further about the anomalous government position of pushing regional pay scales at the same time as massive spending to reduce regional disparity under DREE, which position seemed contradictory to me, I was ruled out of order as being argumentative. In his initial reply to me the minister implied that the regional pay differential had been the long-term policy of successive governments. When pressed by the hon. member for Winnipeg North Centre (Mr. Knowles), he was forced to admit it had been the policy of only two successive governments, that is, since 1967.

I have been looking at the testimony of the President of the Treasury Board when he appeared before the Standing Committee on Miscellaneous Estimates. Before that committee, on March 8, the minister said in reply to a question that the distinction between regional and national pay scales was based on the mobility of the particular component. If the category tended to be highly mobile, then that mobility justified national pay scales. On the other hand, if the category was likely to remain in the community for the bulk of his working life or for a long period of time, regional rates would be more fair to both the public servant and the community in which he served.

This sounds reasonable enough on the surface, but why have regional rates been pushed on the stationary engineers in Public Works when at the same time stationary engineers in federal correctional institutions have been given national rates? That seems to be another anomaly. Surely the job is not very different. Surely stationary engineers under the Solicitor General (Mr. Goyer) are no more mobile than those who are employed by Public Works. Or is it perhaps that there is recognition of the fact that the correctional component is more militant and that the government could not risk pushing regional rates down the throats of the penitentiary branch.

• (2220)

There is no validity in regional rates. They have been tried in various other classifications including the railroads. They have found very few takers because essentially they are another rip-off. If the government thoroughly believes in regional rates as an established principle, then why not apply them to old age pensions, to Members of Parliament or to the forthcoming revisions in respect of family allowances? There is no more mobility among old age pensioners or people on family allowances than there is in stationery engineers. The government might see how the principle would be accepted in the Maritimes or in Quebec if the policy were extended to that ridiculous conclusion. I say, for heaven's sake stop trying to push this on to the public servants. They do not intend to buy it.

Mr. Gaston Clermont (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the Treasury Board's position with respect to regional rates of pay is not contradictory to the program of the Department of Regional Economic Expansion. As employer, the government is committed to paying rates which are equitable and competitive with rates being paid outside the public service for similar occupations. Where the outside pay data for occupational groups indicate significant variations from the Canadian average, and where the area of recruitment and the mobility of employees within the public service is limited, the government as employer considers it appropriate to pay regional and not national rates of pay. Paying national rates of pay in such circumstances would only serve to overpay employees in some regions and to underpay employees in other regions in relation to the rates of pay prevailing in those regions, neither of which situation from the employer's point of view is desirable or viable.

The basic objective of the Department of Regional Economic Expansion is to facilitate economic expansion and social adjustment in areas of Canada requiring special measures, to improve opportunities for productive employment and the access of people to opportunities. The problem of economic disparities is best attacked on a broad economic front. If the effect of regional economic expansion is to raise the rates of compensation in areas that are now low by comparison with other parts of the country, the government as employer will ensure that its rates reflect those changes subject, of course, to collective bargaining provisions in the public service.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, March 22, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

COMMITTEE REPORTS

[*Translation*]

MISCELLANEOUS ESTIMATES

First report of Standing Committee on Miscellaneous Estimates, in both official languages—Mr. Leblanc (Laurier).

[*English*]

PUBLIC ACCOUNTS

First report of Standing Committee on Public Accounts—Mr. Hales.

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

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REGULATIONS AND OTHER STATUTORY INSTRUMENTS

APPOINTMENT OF HOUSE OF COMMONS MEMBERS OF JOINT COMMITTEE

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 65(3)(c) I move, seconded by the hon. member for Vancouver Quadra (Mr. Deachman):

That the members of the House of Commons on the Standing Joint Committee on Regulations and Other Statutory Instruments be Messrs. Allmand, Béchard, Blair, Brewin, Fairweather, Forest, Gibson, Laprise, Marceau, McCleave, Penner and Schumacher.

And that a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

* * *

YOUTH

PROVISION OF SUMMER EMPLOYMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, in light of recent indications that the summer youth labour force with increase by more than 100,000 to 1,300,000, and because the government's summer youth program will provide employment for only a handful of this number, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the Secretary of State immediately consult with business and industry in order to develop a concerted approach to the imminent crisis in youth unemployment.

Mr. Speaker: The House has heard the motion presented by the hon. member for Egmont under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

• (1410)

CONSUMER AFFAIRS

UPDATING OF YEAR OF MANUFACTURE OF AUTOMOBILES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. It concerns the practice of many foreign auto manufacturers of updating the age of year-end models and selling them as new. In view of the fact Canadian consumers are being duped and that existing legislation appears to sanction this practice, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. MacInnis):

That the Minister of Corporate and Consumer Affairs, in conjunction with the Minister of Transport, take immediate steps to put an end to the updating of automobiles.

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The hon. member's motion cannot be put at this time.

On the order: Introduction of Bills.

Mr. Speaker: Order please. After discussion the suggestion was made and I believe agreement has been reached that the motions for the introduction of a number of private bills might stand today for further consideration perhaps tomorrow or Friday. Is this agreed?

Some hon. Members: Agreed.

Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

POST OFFICE DEPARTMENT—FINANCIAL DEFICITS OR SURPLUSES ACCRUED

Question No. 26—**Mr. Rowland:**

1. What were the financial deficits or surpluses accrued by the Post Office Department for the current and each of the past ten fiscal years?

2. For each of these years, what were the surpluses and deficits for first, second, third and fourth class mail?

3. What percentage and volume of second class mail is composed of newspaper deliveries?

Hon. Jean-Pierre Côté (Postmaster General): 1. Financial deficits or surpluses accrued by the Post Office Department: (deficits are shown in brackets)

	$000's
1961-62	(29,063)
1962-63	(24,713)
1963-64	(36,900)
1964-65	(10,878)
1965-66	(30,668)
1966-67	(47,764)
1967-68	(67,191)
1968-69	(90,331)
1969-70	(55,940)
1970-71	(100,592)
1971-72	(95,615)

2. Deficits or surpluses by Class of Mail: (deficits are shown in brackets)

Year	First Class $000's	Second Class $000's
1961-62	23,010	(29,559)
1962-63	27,526	(30,215)
1963-64	Not Available	
1964-65	9,650	(30,495)
1965-66	14,929	(28,142)
1966-67	6,889	(33,787)
1967-68	1,575	(37,493)
1968-69	(15,623)	(41,784)
1969-70	(525)	(28,362)
1970-71	(30,346)	(35,020)
1971-72	(15,141)	(33,261)

Year	Third Class $000's	Fourth Class $000's
1961-62	(7,186)	415
1962-63	(6,439)	127
1963-64	Not Available	
1964-65	(7,627)	9,152
1965-66	(12,906)	528
1966-67	(12,787)	(2,546)
1967-68	(17,272)	(3,630)
1968-69	(21,353)	(1,230)
1969-70	(20,319)	(3,334)
1970-71	(23,556)	(4,687)
1971-72	(27,328)	(9,313)

3. Newspapers constitute approximately 27% of all second class mail. The volume of newspapers approximates 120 million pieces per annum.

INTEGRATION OF CANADA MANPOWER CENTRES AND UNEMPLOYMENT INSURANCE COMMISSION OPERATIONS

Question No. 41—**Mr. McBride:**

Does the government intend to integrate more fully the operations of the Canada Manpower Centres and the Unemployment Insurance Commission to the end that every Manpower Centre in Canada will have at least one staff member trained in assisting claimants who experience difficulties with the Unemployment Insurance Commission?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): The Minister has arranged for the Unemployment Insurance Commission and the Department of Manpower and Immigration to examine ways of developing further co-ordination of the services provided by both organizations. This will include the matter of stationing staff.

BILINGUALISM PROGRAM

Question No. 62—**Mr. Orlikow:**

Of the $50 million Federal Fund for the Program of Bilingualism across Canada, how much money was allocated to each province in the 1970-71 fiscal year?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Under the bilingualism development program, the federal government paid the following sums to the provinces during the 1970-71 fiscal year: *Provinces:* Newfoundland, $123,485; Prince Edward Island, $101,490; Nova Scotia, $733,615; New Brunswick, $3,694,660; Quebec, $29,986,813; Ontario, $12,164,400; Manitoba, $849,557; Saskatchewan, $597,063; Alberta, $865,359; British Columbia, $883,558; Total; $50,000,000. According to the grant formulas, at the end of the fiscal year an additional sum of $2,097,848 remained to be paid to Ontario; this was done during the 1971-72 fiscal year.

[*English*]

NUMBER OF GOVERNMENT EMPLOYEES WORKING IN GROSSE-ÎLE, QUEBEC

Question No. 112—**Mr. Lambert (Bellechasse):**

1. How many persons are working for (a) the Department of Agriculture (b) other departments in Grosse-Île, Quebec?

2. Before being posted to Grosse-Île, were any of such persons working for the Department of Agriculture or another department and, is so (a) in what locations (b) what were their responsibilities (c) what is the name and address of each such person (d) what is the profession of each (e) what is the annual salary of each such person?

3. What is the annual cost of operating and maintaining government facilities in Grosse-Île?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Agriculture and Transport as follows: 1. (a) Nineteen; (b) none.

2. Yes, two persons were working for the Department of Agriculture or another department before being posted to Grosse-Île: (a) Rimouski, Quebec; (b) Contagious Diseases Control; (c) Leclerc, Dr. R.—Grosse-Île Quarantine Station, Co. Montmagny, Quebec; (d) Veterinarian; (e) Pay of classification, applicable to Veterinarian 4. (a) Chicoutimi, Quebec; (b) Contagious Diseases Control; (c) Brunet, Dr. R.—Health of Animals, Federal Building, Racine St. East, Chicoutimi, Quebec; (d) Veterinarian; (e) Pay of classification, applicable to Veterinarian 2.

3. Department of Agriculture	$370,000
Department of Transport	
Placement of 2 buoys	$1,050.00
Checking of the 2 buoys	700.00
Removal of the 2 buoys	1,050.00
Total	$2,800.00

AGREEMENT BETWEEN CANADA AND THE UNITED KINGDOM FOR PENSIONERS

Question No. 118—**Mr. McCutcheon:**

Does Canada have a reciprocal agreement with the UK such that United Kingdom pensioners now living in Canada receive increases in the rate of pension and, if not, are discussions under way relative to establishing a formula for such arrangements and when may a decision be reached?

Hon. John C. Munro (Minister of National Health and Welfare): In 1959, there was an Exchange of Letters between Canada and the United Kingdom on social security which was principally of value to citizens of the United Kingdom who returned to that country from Canada. In the interval, there have been a number of social security changes in Canada. At the present time, consideration is being given to replacement of the present Exchange of Letters by a more comprehensive reciprocal agreement in which the payment of increases in United Kingdom pensions to beneficiaries residing in Canada will be one of a number of factors which will have to be taken into account.

Discussions between officials of Canada and the United Kingdom commenced in 1970. While an early conclusion is desirable, negotiations of this type are by their very nature complex and protracted, and it is difficult to estimate when a revised agreement will be established.

Questions

PARRSBORO, N.S.—POSTAL FACILITIES

Question No. 135—**Mr. Coates:**

1. Under what arrangement will postal facilities be available to the residents of the Town of Parrsboro?

2. What will be the cost to the federal treasury on both an annual basis and over the term of the lease or contract?

3. From whom were the facilities leased?

4. How many similar arrangements are in effect in the Province of Nova Scotia at the present time and what is the annual cost to the federal government?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Post Office Department and the Department of Public Works as follows: 1. By leasing a whole one story building at 115 Main Street.

2. $8,740 per annum; total cost for five years $43,700.

3. Chignecto Holdings Ltd., Amherst, N.S.

4. 15 at an annual cost of $158,802.25.

PROVINCIAL REPRESENTATION ON DIRECTORSHIP OF CANADA DEVELOPMENT CORPORATION

Question No. 138—**Mr. Marshall:**

Is the Province of Newfoundland the only province in Canada without representation on the directorship of the Canadian Development Corporation and, if so, for what reason?

Hon. John N. Turner (Minister of Finance): No, however an effort was made to provide the Canada Development Corporation with a board of directors that would have some experience in all the major regions in Canada.

GUERILLA TRAINING CAMPS, ETC.

Question No. 216—**Mr. Yewchuk:**

1. By province and territory, how many guerilla training camps have been discovered by the RCMP for each of the years 1961 to 1970 inclusive?

2. By province and territory (a) how many persons were arrested by the RCMP because of (i) illegal possession of weapons (ii) conspiracies (b) how many in each category were convicted, during the years 1961 to 1970?

Hon. Jean-Pierre Goyer (Solicitor General): The answer, in so far as it concerns the Department of the Solicitor General, is as follows: 1. None as far as R.C.M.P. is concerned.

2. This information can only be obtained through a review of innumerable Criminal Code files; which would produce information only in so far as the Royal Canadian Mounted Police is concerned. The cost in terms of manpower and time would be exhorbitant or prohibitive.

CANADA MANPOWER TRAINING PROGRAM

Question No. 219—**Mr. Yewchuk:**

1. Will the Department of Manpower and Immigration consider offering, as part of its 1972 retraining program, immersion courses in (a) computer programming (b) public administration (c) data processing (d) marketing (e) community planning (f) recreational leadership (g) home economics (h) secretarial science?

2. To date, has the Department of Manpower and Immigration in conjunction with the provinces discussed the possibility of offer-

ing these courses as part of the retraining program and if not for what reasons?

3. What criteria are used to determine what courses the Department of Manpower and Immigration will offer?

Mr. Ray. Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): 1. As part of its 1972 training program the Department of Manpower and Immigration is considering offering courses which provide skills in the areas listed in Part 1.

2. The Department has continuing dialogue with the provinces concerning the selection of courses to be purchased including those areas listed in Part 1. Training requirements are also discussed at the meetings of the Federal-Provincial Joint Committee established in each province to assess Manpower needs in accordance with Section 13 of the Adult Occupational Training Act.

3. The basic criteria used to determine the courses the Department will purchase includes the following: (1) Legislative requirements: (a) The course must provide occupational training, the purpose of which is to provide a person with skills required for an occupation or to increase his skill proficiency therein. (b) The course must not be one which provides instruction for university credit. (c) The course must not provide more than 52 weeks of full time instruction nor 1820 hrs. of part-time instruction. (d) The training must be provided in Canada. (2) Labour market requirements: (a) There must be a demand in the foreseeable future for the skills provided by the training.

SIR GEORGE WILLIAMS UNIVERSITY COMPUTER DAMAGE

Question No. 226—**Mr. Robinson:**

How many of the students from Caribbean countries attending Canadian universities on CIDA training awards paid by the Canadian Government took part in the Sir George Williams University computer damage?

Hon. Mitchell Sharp (Secretary of State for External Affairs): None.

CBC—COST OF SALARIES, ETC., 1971

Question No. 245—**Mr. Orlikow:**

What was the total cost to the CBC in 1971 of (a) regular wages and salaries (b) overtime paid to NABET employees?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the CBC as follows: (a) $18,240,039; (b) $3,577,549.

[*English*]

CANADIAN MEMBERSHIP IN INTER-AMERICAN INSTITUTIONS

Question No. 246—**Mr. Robinson:**

1. Is the government considering membership in any inter-American institution other than the Pan American Health Organization, the Inter-American Development Bank and the Inter-American Institute of Agricultural Sciences?

2. Is ultimate membership in the Organization of American States contemplated in the near future?

[Mr. Yewchuk.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Yes, Canada is now a full member of three of the six specialized organizations of the Organization of American States; the Pan American Institute of Geography and History; The Pan American Health Organization; and the Inter-American Institute of Agricultural Sciences. In addition, Canada is already a member of the Inter-American Statistical Institute, the Inter-American Centre of Tax Administrators, the Centre for Latin American Monetary Studies and the Postal Union of the Americas and Spain. Membership in a number of other inter-American institutions, including the Inter-American Indian Institute and the Inter-American Development Bank is being considered. The recent accreditation of a Canadian Permanent Observer Mission to the OAS entitles Canada to observer status in all of the organs, agencies and entities directly dependent on the OAS.

2. Not necessarily. The purpose of establishing a formal link with the OAS as explained in the penultimate paragraph of the government's policy paper on Latin America was to "permit Canada's relations with the countries of Latin America to develop rapidly and, by improving Canadian knowledge and understanding of those countries and their regional institutions, prepare for a better-informed and more useful Canadian participation as a full member of the OAS should Canada, at some future date, opt for full participation."

ISSUANCE OF CHARGEX OR CREDIT CARDS

Question No. 258—**Mr. Robinson:**

Does the government have information on how many chargex or credit cards have been issued by each of the chartered banks and, if so (a) how many have been issued (b) of these, how many were solicited by the bank concerned?

Hon. John N. Turner (Minister of Finance): In so far as the Department of Finance is concerned this information is not available.

PROHIBITION OF UNSOLICITED CREDIT CARDS

Question No. 259—**Mr. Robinson:**

Will the federal government consider the advisability of requiring banks to desist from forwarding unsolicited credit cards?

Hon. John N. Turner (Minister of Finance): The present practice of the chartered banks is not to forward new credit cards unless they are solicited.

DETERMINATION OF BANKING POLICY FOR CHARTERED BANKS

Question No. 260—**Mr. Robinson:**

Does the government determine the banking policy of the chartered banks and (a) if so, through what agency (b) if not, for what reason?

Hon. John N. Turner (Minister of Finance): The government through the agency of the Bank of Canada determines national monetary policy. Subject to this overall influence on the scale of their operations and certain specific limitations contained in the Bank Act, chartered

banks determine the particular loans and investments in which they will employ their resources.

CREATION OF ADDITIONAL BANKING INSTITUTIONS

Question No. 261—**Mr. Robinson:**

Will the government consider the advisability of allowing additional banking institutions to be created in order to make the banking business more competitive?

Hon. John N. Turner (Minister of Finance): It is the policy of the government to encourage the establishment of new banks.

INTEREST FREE DEPOSITS IN BANKS

Question No. 262—**Mr. Robinson:**

Does the government have information on how much money is used by banks in their business of banking upon which they do not pay any interest to the deposit holder and, if so, what is this amount?

Hon. John N. Turner (Minister of Finance): The returns of assets and liabilities made by banks pursuant to the Bank Act do not classify deposits on the basis of whether or not interest is payable to the depositors.

ILLEGAL IMMIGRATION

Question No. 295—**Mr. Robinson:**

Will the government take action to process the applications of illegal immigrants to Canada or to order them out of the country at their own expense?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): When a person who is in Canada illegally is reported to the department or otherwise apprehended appropriate action is taken under the Immigration Act as quickly as possible having regard to available resources and due processes of law. Wherever the law permits, deportation is carried out at other than public expense.

NON-IMMIGRANT REQUIREMENTS

Question No. 297—**Mr. Robinson:**

Will the government ensure that anyone entering Canada as a tourist deposits sufficient funds on entry to guarantee passage back to his country of origin?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Because the vast majority of the more than 38 million people who visit Canada every year leave within the prescribed time, it is not considered practical or necessary to require the taking of deposits from all visitors to protect against the relatively small number who abuse the terms of their entry. However, an individual's ability to effect his departure at his own expense is taken into consideration in the case of all visitors granted admission. If the examining officer has any doubts in this respect, the Immigration Act provides for the taking of a bond to guarantee against the expenditure of public funds on his behalf.

Questions

*LOCAL INITIATIVES PROGRAM PROJECTS

Question No. 317—**Mr. Korchinski:**

1. On what date was the final project under the Local Initiatives Program approved in the Province of Saskatchewan?

2. How much money was allocated to Saskatchewan by that date?

3. Have all the provinces been informed that there are no longer any funds available and, if not, which provinces still have not used up the funds available?

4. What was the percentage of the total funds available to each province?

5. On what date was the Town of Sturgis informed that its project was rejected?

6. Have any projects been accepted in any province after the final date for receipt of applications and, if so, in which provinces were they accepted?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have the reply to starred question No. 317 here and am perfectly prepared to read it, but it is rather lengthy and I wonder whether hon. members would prefer that it simply be tabled in *Hansard* as read?

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's Note: The answer above referred to is as follows:*]

1. March 8, 1972.

2. Records indicate that as of March 8, 1972, $4,224,397 has been allocated to approved projects in Saskatchewan. That figure is subject to change as adjustments are sometimes made when the contract is negotiated after final approval.

3. Provinces have not been informed that there are no longer any funds available as they are not involved in the administration or approval of projects, with the exception that they review municipal projects. The administration and approval of all projects is handled through regional offices of the Department of Manpower and Immigration.

4. As of March 17, 1972, the percentage of total funds available to each province was:

	%
Newfoundland	6.6
Nova Scotia	7.0
Prince Edward Island	1.4
New Brunswick	6.2
Quebec	42.3
Ontario	14.8
Manitoba	3.6
Saskatchewan	2.7
Alberta	5.3
Northwest Territories	0.7
British Columbia	9.1
Yukon Territory	0.3

5. February 14, 1972.

6. No.

Inquiries of the Ministry

QUESTION PASSED AS ORDER FOR RETURN

COST OF GOVERNMENT PROMOTIONAL PROGRAMS

Question No. 202—**Mr. Gleave:**

1. (a) What was the total cost of the advertising promotional program concerning "Assumed Mail" (b) in how many publications was the advertisement inserted?

2. (a) To date, what was the cost of the advertising program for the current issue of Canada Savings Bonds (b) how long will the advertising campaign continue and what will be the final cost?

3. (a) What was the cost of the advertising program in regard to the "New Design of Canada Cheques" (b) in how many publications was the advertisement inserted (c) what was the cost in each publication?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions stand?

An hon. Member: No.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

FAMILY INCOME SECURITY

DATE OF PROCEEDING WITH BILL—STATUS OF NEGOTIATIONS WITH QUEBEC

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of National Health and Welfare. When is it intended that the House will proceed with the family income security legislation, Bill C-170, and does the government consider this bill to be urgent legislation?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the government considers this to be very important legislation. It will be up to the government to decide when the bill will be proceeded with after discussion by the House leader with other members of the government and spokesmen for the other parties concerning when there will be available House time.

Mr. Fairweather: Mr. Speaker, what is the status of the negotiations with the provinces, particularly the province of Quebec, on the latest proposals relative to the government's plans to proceed with this legislation?

Mr. Munro: The suggested formula set out in the Prime Minister's letter to Premier Bourassa received a favourable reaction from the Quebec government, and I would expect that the negotiations that follow will come to a successful conclusion.

[Mr. Speaker.]

* * *

ENERGY

REASON FOR TEMPORARY EMBARGO ON ISSUANCE OF OIL AND GAS EXPLORATION PERMITS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources arising out of his announcement in Calgary that he is placing a temporary embargo on the issue of oil and gas exploration permits in the Yukon and the Northwest Territories. I wish to ask the minister whether the purpose of this temporary embargo is to apply pressure on oil and gas companies to make a decision with respect to the construction of oil and gas pipelines down the Mackenzie valley, or is there some other purpose which the minister has in mind for this temporary embargo?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I should supplement the hon. member's question by indicating that it will also apply to the east and west offshore areas, including Hudson Bay. For some time my department and Indian Affairs and Northern Development have had under way discussions with representatives of the oil industry on the amendment to the oil and gas regulations under which oil and gas permits and leases are held. The consultations have now been completed and I am putting a recommendation forward to cabinet in order to amend the regulations. Since we have arrived at a conclusion of this matter it seems sensible not to issue any more permits under the old regulations but rather to put on a moratorium until the new regulations are in effect, which we anticipate will be some time this summer. It is not related in any way to the Mackenzie valley pipeline.

PROPOSED MACKENZIE VALLEY PIPELINES—REQUEST FOR STATEMENT ON CONDITIONS FOR GRANTING PERMISSION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the fact several ministers of the government have indicated support for granting a right of way for the construction of both oil and gas pipelines down the Mackenzie valley, may I ask the minister whether he would undertake to make a statement at an early date regarding the conditions which would apply for the granting of such permission, particularly with reference to whether or not these pipelines would be under foreign ownership and control, whether they would be common carriers, who would set the rates for the transport of oil and gas, and other particulars which hon. members ought to have before any commitments are made?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I would remind the hon. member that over a year ago guidelines for the construction of a northern pipeline were set out by my colleague, the Minister of

Indian Affairs and Northern Development. As to some of the specific details to which the hon. member has referred, I would not anticipate that we would be in a position to entertain applications with regard to the pipeline and therefore be able to define some of the criteria until about the end of the current calendar year. We are now in the process of completing studies, both environmental and economic, on the requirements which the government of Canada, through the National Energy Board, should impose on the construction of a northern pipeline. All the characteristics to which the hon. gentleman has referred have not yet been defined. As they are, certainly I will be glad to inform the House of them from time to time.

Mr. Douglas: In view of the minister's statement in Calgary that no applications for such pipelines could be considered until 1973, may I ask the minister if he would undertake to assure the House that prior to any commitments being made the House would first of all be acquainted with the ecological report being prepared by the Department of Indian Affairs and Northern Development and also with the energy report from his own department which we have been promised for the last two and a half years?

Mr. Macdonald (Rosedale): Yes, Mr. Speaker. I would like to thank the hon. gentleman for assuming that I will be in office at that particular time. I would be quite happy to make certain that this particular information is made available to the House because, of course, it will be available to applicants for determining their applications.

RESEARCH ON METHODS OF OIL TRANSPORTATION TO MEET ENVIRONMENTAL PROBLEMS

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a supplementary question for the minister. Is his department doing any research on methods of oil transportation, that is, carriage of oil, to meet the environmental problems? Is any special project under way in this regard?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): It is done on a broader basis than just by this department. It is a co-operative arrangement with the Department of Indian Affairs and Northern Development. Of course, as the hon. member knows, private industries have also been very much engaged in this area. I think I would have to get a little further detail as to which particular entity has carried out which particular research.

• (1420)

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—ADDITIONAL FUNDS FOR QUEBEC MUNICIPAL PROJECTS

Mr. Roland Godin (Portneuf): Mr. Speaker, I should like to direct a question to the Minister of Labour.

In connection with the Local Initiatives Program, was the announcement last week by Quebec Municipal Affairs Minister Maurice Tessier of a $5 million injection correct and does the Minister of Labour intend to make a statement on this shortly?

Mr. Speaker: The second part of the hon. member's question seems to be in order, and the minister may answer it. In the first part of his question, the hon. member asks for confirmation or denial of a statement made outside the House and for that reason, the question is not in order.

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I will take that under consideration.

* * *

TRADE

AUTO PARTS—REPORTED U.S. DIRECTIVE TO ENFORCE REGULATIONS ON SHIPMENTS WITH SEVERITY—USE OF DISC PROGRAM BY AMERICAN AUTOMOBILE MANUFACTURERS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the right hon. Prime Minister. Has the government looked into the suggestion made yesterday that the United States Secretary of the Treasury has issued a directive to customs officials telling them to enforce regulations "with considerable severity" in connection with auto parts shipments? If so, can the Prime Minister inform the House whether or not this has taken place?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not been able to confirm whether that is in effect what has been said in the United States. I do know it was in the papers this morning. I have not been able to confirm whether that is the position of the United States government.

Mr. Nesbitt: Mr. Speaker, I believe the Minister of Industry, Trade and Commerce stated last week that the government hoped United States auto producers would not make use of DISC. Has the government received any specific assurances to that effect?

Mr. Trudeau: Mr. Speaker, I believe the minister did deal with this supplementary question when it was first asked, and he indicated that there had been no specific promises.

* * *

GOVERNMENT PROPERTY

VANCOUVER—BRITISH COLUMBIA LEGISLATURE RESOLUTION CONCERNING CERTAIN NATIONAL DEFENCE LAND—GOVERNMENT POSITION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, on February 23 I asked the Prime Minister a question concerning the resolution passed unanimously by the legislature of British Columbia in connection with 38 acres of Jericho DND land. He said at that time that he

would look into the matter and would also advise whether or not the request of the British Columbia legislature would receive attention.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, on behalf of the Minister of National Defence perhaps I could take notice of that inquiry, follow up the question of the remaining Jericho Beach properties and report to the right hon. member.

Mr. Diefenbaker: Mr. Speaker, after all, just a month has gone by since the question was asked. It is a matter of great importance to the people of Vancouver. They want to know whether this is going to be a big melon or pork barrel operation. Will the minister let me have an answer as to what the government intends to do—

Mr. Speaker: Order, please.

Mr. Diefenbaker: —without putting it off again in this manner?

Mr. Speaker: Order, please. The hon. member for Vancouver-Kingsway.

Mrs. MacInnis: I have a question—

Mr. Diefenbaker: Surely, Mr. Speaker—

Mr. Speaker: Order, please. I apologize to the hon. member for Vancouver-Kingsway. I believe the right hon. gentleman wishes to ask a supplementary, or perhaps he is rising on a point of order.

Mr. Diefenbaker: Mr. Speaker, I had asked a question. I have found the minister usually very loquacious and alway willing to answer. I repeat that this is a matter of deep concern. I ask him whether any decision has been made by the government and, if not, why not?

Mr. Macdonald (Rosedale): Mr. Speaker, the reason I did not respond was that I understood the right hon. gentleman had been ruled out of order. I would just point out to him that a decision was taken several years ago and arrangements made with the city of Vancouver whereby a portion of the Jericho Beach property, that closest to the water, would be made available for public park purposes and the balance of the property would be rezoned and would be available for disposal by the Crown in consideration of the Department of National Defence moving its operations from Jericho Beach to Chilliwack. As to the actual status of this matter now, I have not been following with the same active interest in the last several weeks as I was previously matters within the responsibility of the Department of National Defence, but I will endeavour to find out the current status of the matter for the right hon. gentleman.

Mr. Diefenbaker: Please do, because it looks like a pork barrel.

Mr. Macdonald (Rosedale): You ought to know.

[Mr. Diefenbaker.]

WELFARE

BRITISH COLUMBIA LEGISLATION LIMITING PROVISION OF ASSISTANCE— REQUEST FOR FEDERAL ACTION

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Last week in reply to my question the minister promised to look into British Columbia's Bill 49 which gives complete power to the provincial welfare minister to decide who shall get social assistance in the province and who shall not and which wipes out any chance of appeal. I should like to ask the minister again whether this bill violates the terms of the Canada Assistance Plan which declares that anyone in need shall be eligible for social assistance? Has he looked into the matter and determined whether this is the case?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, I have looked into the matter. I am still waiting for independent legal advice from an officer of the Crown as to whether, from a strictly legal point of view, this bill contravenes the Canada Assistance Plan. I hope to have that advice by the end of the week.

Mrs. MacInnis: I should like to ask what steps the minister would propose in the meantime to ensure that people in British Columbia who are in need receive social assistance?

Mr. Munro: Mr. Speaker, as I understand it, the bill has not yet been passed by the British Columbia legislature. I have had no complaints of specific cases where social assistance has been denied as a result of the recent action taken by the British Columbia government.

* * *

IMMIGRATION

COMPLAINTS BY TORONTO POLICE ABOUT DIFFICULTY IN OBTAINING DEPORTATION ORDERS

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Acting Minister of Manpower and Immigration whether he has knowledge of complaints by the Toronto police that they have to ask for extradition orders in order to deal with unwanted immigrants because it is impossible to get deportation orders from the immigration authorities?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): No, Mr. Speaker, I am not aware of that situation but I shall inquire and give an answer to the hon. member.

* * *

GRAIN

PROVISION OF ALTERNATIVE DELIVERY POINTS FOR FARMERS FOLLOWING SALE OF FEDERAL GRAIN LTD. TO WHEAT POOLS

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the minister responsible for the Wheat

Board. Has the Canadian Wheat Board made any decision on an additional alternative delivery point for farmers faced with the dissappearance of their original alternative delivery point because of the sale of Federal Grain Limited to the prairie wheat pools?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I have asked the Canadian Wheat Board to give quick consideration to this situation but at the moment I do not have a reply from them.

Mr. Murta: Since this is a very urgent matter for the farmers affected, I should like to ask the minister specifically when an announcement will be made by the Wheat Board on whether farmers will be able to deliver to an alternative delivery point?

Mr. Lang: Mr. Speaker, I would imagine that the Wheat Board would announce this as soon as they have made a decision.

ALBERTA FEED GRAINS COMMISSION—CO-ORDINATION OF EFFORTS AND POLICIES WITH FEDERAL AGENCY

Mr. A. P. Gleave (Saskatoon-Biggar): I have a supplementary question, Mr. Speaker. In view of the fact the Alberta government has moved to set up a feed grains commission, can the minister tell the House whether discussions have taken place between the Alberta government and himself or the Canadian Wheat Board on how the two agencies will co-ordinate their efforts and policies?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there have been discussions about the general problem of lower prices for feed grains. I am not aware of any discussion about the actual operation of the proposed commission and co-ordination. The announcement by the Alberta government does not give any details about how it will operate.

Mr. Gleave: Can the minister inform the House when or if he is going to release the study on grain handling and transportation and whether it has anything to say about the over-all efficiency of having a Canadian Wheat Board, a federal feed grain agency and a provincial feed grain agency all involved in the marketing of grain at the same time?

Mr. Speaker: Order, please. I would think the second part of the hon. member's supplementary is argumentative.

* * *

[*Translation*]

CRIMINAL CODE

AMENDMENT RESPECTING GAMBLING—PROVINCIAL REPRESENTATIONS—GOVERNMENT INTENTION

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to direct a question to the Minister of Justice.

Can he indicate whether he has received from certain provinces a request to amend the Criminal Code in order to allow those wishing to do so to establish within their boundaries an off-track betting system or any other gambling activities, particularly casinos? If so, can the minister tell us what the response of the government has been?

• (1430)

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there have been some requests and discussions with provincial ministers about this subject. We have indicated to them a willingness to look at the matter and to develop some early legislative solutions concerning it, without being able to give any precise dates at this time for that action.

[*Translation*]

Mr. Asselin: Mr. Speaker, can the Minister of Justice assure the House that legislation to amend the Criminal Code on the matters I have mentioned will be introduced during this session so that the provinces may be allowed to implement their objectives?

[*English*]

Mr. Lang: Mr. Speaker, I do not think it is likely that this can be done in the present session. I understand that some provinces now consider it an urgent matter although I believe they took a different view when the legislation touching on this subject was before the House only a year or two ago.

* * *

NATIONAL PARKS

POLICY RESPECTING COMMERCIALISM—NATURE OF FEDERAL PARTICIPATION IN LAKE LOUISE PROJECT

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development. Since the stated policy of the minister and of his predecessor has been that there should be no additional commercialism in the national parks, has that policy been changed recently, or is the Esso Lake Louise project a special case?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, if the hon. member had looked into the matter, he would have realized that the Lake Louise project has been in operation for many years and that commercial activities in that area have been going on for more than 40 years.

[*English*]

Mr. Rose: Is there any particular federal participation in the Esso Lake Louise project? If so, what is the nature of this federal participation?

[*Translation*]

Mr. Chrétien: Mr. Speaker, there is no direct participation from the federal government. It is a site that has been developed over several years to receive facilities. We have called for tenders on two occasions for this development

and the only offer received is the one we are now considering. The final decision has not yet been taken.

[*English*]

Mr. Hees: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. I must bring to the attention of hon. members that we have gone through nearly half the question period and we are not moving very quickly. I would hope there would be a tendency on the part of hon. members to limit their supplementaries and, indeed, their questions, to make their questions shorter and the replies shorter also.

Mr. Rose: I rise on a point of order, Mr. Speaker. Since a decision has not been finally reached, would the minister answer the question whether there have been federal funds expended on the project?

Mr. Speaker: Order, please. That is hardly a point of order. Perhaps the minister might reply to the hon. member's supplementary briefly.

LAKE LOUISE PROJECT—OPPORTUNITY FOR HOUSE TO DEBATE

Right Hon. J. G. Diefenbaker (Prince Albert): I have a supplementary question, Mr. Speaker. The answer given by the minister just now would indicate that finality has been brought about in this connection. On the basis of the objections that have been raised as a consequence of the various meetings held in this connection, does he not have some doubts now as to whether this project should be proceeded with? If he has not, will he assure the House that this House will have the opportunity of debating this project which, if it is carried out, means the end of the whole principle of national parks for Canadians?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we had public hearings for the first time in the history of the national parks and thus all Canadians had the opportunity to express their views. I am appearing at present before the committee of the House which is considering the estimates of my department and if hon. members, including the right hon. member for Prince Albert, wish to ask questions, I would be glad to see them in that committee.

As for myself, I say again that no decision has been taken yet, because the government felt that it would be advisable to hold public hearings before doing anything.

[*English*]

Mr. Diefenbaker: Mr. Speaker, I now ask the minister this question. If the government finally decides to go ahead, will it give this House, not a committee, the right to determine whether this should be done?

Some hon. Members: Oh, oh!

Mr. Diefenbaker: A committee means nothing.

Some hon. Members: Oh, oh!

[Mr. Chrétien.]

Mr. Chrétien: Mr. Speaker, I am terribly surprised to hear the right hon. member talking about a committee in the way he just did.

Mr. Diefenbaker: Not at all. A committee means nothing.

Mr. Speaker: Order, please. This is apparently a matter of interest to hon. members and there appears to be a desire on the part of hon. members to ask supplementaries. I will recognize the hon. member for Selkirk and a few other hon. members for short supplementaries, I hope, then we will try to go to another subject.

LAKE LOUISE PROJECT—BASIS FOR EXPENDITURE IN PROVIDING SEWER AND WATER SYSTEM

Mr. Doug Rowland (Selkirk): Mr. Speaker, may I direct a supplementary question to the Minister of Indian Affairs and Northern Development. As public hearings are still going on with respect to this project and since the minister indicated to the House that no decision has yet been taken, on what basis has the federal government spent over $1 million in providing a sewer and water system—

Mr. Speaker: Order, please. That is argument.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Crowfoot on a supplementary.

Mr. Chrétien: Mr. Speaker, I rise on a question of privilege. I think the hon. member should travel a bit and go there, because he will see that there are many motels in the area which have been there for many years and for which services were provided in the area.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. That is obviously debate. Since this is obviously a matter of interest to hon. members, the Chair will recognize the hon. member for Crowfoot.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development that has not been answered. Will a piece of legislation be put before the House which will detail the $29 million or $39 million to be spent in the national park in the area of Lake Louise?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, this Lake Louise project was submitted to the public several years ago. We invited people to make suggestions, and the only one received is that concerning the development now under discussion. We are considering the problem. We held public hearings, and the government will make a decision in due time. We would like hon. members as well as the Alberta government to express their views on that.

[*English*]

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

Mr. Speaker: Order, please, A number of hon. members are seeking to ask supplementaries. I will come to them in a moment. At this time I will recognize the hon. member for Bellechasse.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ESTABLISHMENT OF NEW SPECIAL AREAS—DISCUSSION WITH QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the hon. Minister of Regional Economic Expansion.

Could he tell the House whether there have been discussions with the government of the province of Quebec concerning setting up new special areas within the province of Quebec and if so, whether Montmagny has been or could be considered as such?

Mr. Speaker: I would remind the hon. member that in the past the Chair has disallowed questions of hon. members as to whether one region or another will be designated. I do not feel such a question is in order. However, since the question has been put, the hon. minister may reply briefly, but I hope there will be no tendency to consider this as a precedent.

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the reply will be very brief. We do have discussions under way. As concerns Montmagny, although I cannot reveal anything at the present stage, it is among the regions which are being considered.

* * *

[*English*]

STATUTORY INSTRUMENTS

NATURE OF CABINET DIRECTIVE RESPECTING DEPARTMENTAL GUIDELINES

Mr. Douglas A. Hogarth (New Westminster): Mr. Speaker, I wish to direct a question to the Minister of Justice with respect to the implementation of the third report of the Special Committee on Statutory Instruments. Would the minister advise the House whether the cabinet directive referred to by his predecessor relating to departmental directives and guidelines has been issued and, if so, would he advise the House of the nature of that directive?

Mr. Forrestall: Put it on the order paper.

Hon. Otto E. Lang (Minister of Justice): Yes, Mr. Speaker. The cabinet has directed that all directives or guidelines are to be submitted to the Deputy Minister of Justice, who will advise the issuing authority whether they are in conflict with any provision of the act or the regulations to which they relate, whether they are essentially legislative in nature, whether their subject matter should be incorporated in regulations and, if so, whether there is authority to make such regulations.

HEALTH

USE OF NURSES IN CERTAIN COMMUNITIES WITH NO DOCTORS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the serious shortage of doctors and the fact that in Canada nurses are serving the socially underprivileged where physicians are not willing to go and are considered qualified to do so, particularly in the north, but are not considered qualified to render these services to other segments of the population, has the minister any plans to relieve this serious situation by using nurses and extending their services to communities now without doctors?

• (1440)

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker. We have had a program along these lines in operation for some time. We fully intend, and in fact are doing so, to direct more of our resources toward this particular objective.

* * *

NATIONAL PARKS

TRENT VALLEY—PRESENT STATUS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a short non-controversial supplementary question for the Minister of Indian Affairs and Northern Development. Briefly, can he advise the House when he expects to start making the long-promised Trent Valley national park a reality?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, that is already a reality.

[*English*]

Mr. Hees: Mr. Speaker, if anything has been done to make this waterway a national park, it is the best kept secret from the people of the area that has ever been perpetrated.

[*Translation*]

Mr. Chrétien: Mr. Speaker, if the hon. member is unaware, it is probably because he does not visit his riding often enough.

[*English*]

Mr. Hees: Mr. Speaker, I rise on a question of privilege. I am in my area very often. I know what is going on there far better than the minister knows what is going on in his constituency. He is giving the type of answer that this government tries to get away with far too often.

Mr. Speaker: Order, please. Now that we have settled that matter, the Chair will recognize the hon. member for Halifax-East Hants.

Inquiries of the Ministry

ST. LAWRENCE SEAWAY

PARTICIPATION WITH UNITED STATES IN STUDY ON POSSIBLE YEAR-ROUND OPERATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question takes us back to the great Canadian winter. It is to the Minister of Transport. Does the government plan to contribute to and participate in a proposed United States study on keeping the St. Lawrence Seaway open the year round, and has a request been made in that connection by the United States government?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, as far as I am aware no official request has been received, but we have been participants in some of these studies and most recently some of our officials attended the last seminar or forum that was held on this matter.

* * *

DRUGS

REQUEST FOR STATEMENT ON LE DAIN COMMISSION RECOMMENDATION RESPECTING HEROIN—INQUIRY AS TO FINAL REPORT

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct my question to the Minister of Health and Welfare. When will he be making a statement about the recommendation in the treatment portion of the Le Dain report to give a semi-legal status to heroin, and when does he expect the final report to be available?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, with respect to the first part of the hon. member's question—

Some hon. Members: Oh, oh!

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

Mr. Speaker: Order, please. I must point out to hon. members that there are less than ten minutes remaining before the end of the question period. I will not charge to the question period the last minute or so when hon. members appeared to be enjoying themselves. I hope the question of privilege will be short.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I got the usual type of answer from the government this afternoon. The minister has just told me that they are now making plans for the Trent Valley park. Nobody in the area knows about these plans. Nobody has been consulted. The government is obviously doing nothing.

Mr. Speaker: Order, please.

Mr. Hees: It is just an election promise which means nothing whatsoever.

Mr. Speaker: Order, please.

Mr. Chrétien: Go to your riding.

Mr. Munro: If I may conclude my answer, Mr. Speaker, I hope to clean up and make a statement to the House shortly on those aspects of the Le Dain commission report I have not already dealt with. As to the latter part of the hon. member's question, when he says final report I take it he is referring to the final report of the Le Dain commission. If that is the case, my information is that the chairman has indicated he will be presenting a further report on another component but the final report will not be ready until much later.

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MANPOWER

LOCAL INITIATIVES PROGRAM—GRANT TO PROCESS CHURCH OF THE FINAL JUDGMENT—REQUEST FOR REVIEW OF SALVATION ARMY APPLICATION

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the Prime Minister completed his investigation of the local initiatives program grant to the Process Church of the Final Judgment in Toronto? If so, is he in a position to inform the House with regard to his findings?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did look into the matter, but I cannot add anything beyond what was said on a previous occasion in the House. The people involved in the project had the recommendation of a lot of serious people. The offices of the local initiatives program gave the grant in good faith to people who seemed to be engaged in doing some good work.

Mr. Hellyer: Will the Prime Minister also investigate or have reviewed the application of the Salvation Army in the hope that the request of this most worthy organization can be approved?

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, there are many, many worthy organizations which submitted requests and which had to be turned down. As the House knows, the government allocated $150 million to these projects. Some 6,000 or 7,000 were accepted. Perhaps as many had to be turned down because of a lack of funds. We feel that the $150 million is a good start. If the people approve of this program, we will study the results and perhaps consider in future parliaments a renewal of such a program.

* * *

YOUTH

PROVISION OF SUMMER EMPLOYMENT—CONSULTATION WITH INDUSTRY AND OTHER GOVERNMENTS LEADING TO INITIATION OF JOB-CREATING PROGRAMS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the Secretary of State. It has to do with recent alarming reports that there will be some 100,000 more young people in the summer labour force this year, expanding the young labour force this summer to 1,300,000. In view of the inability of present government programs to meet this crushing job demand, can the minister inform the House whether there are ongoing consultations with industry and other levels of government in order that

the government might follow the lead of companies such as Imperial Oil and the Royal Bank and initiate special job-creating programs for young people this summer?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, this kind of consultations take place every year and they do not particularly come under the responsibility of my department, but I know however that they take place. The only consultations we have had ourselves, that is to say through those people who submit their projects to us, concern the Opportunities for Youth Program.

[*English*]

Mr. MacDonald (Egmont): In view of the fact the minister indicated earlier that some 20,000 opportunities for youth projects have now been submitted and only a fraction of these will be accepted, is there any specific program underway to consult with other agencies that might well implement some of these very worth-while projects?

[*Translation*]

Mr. Pelletier: Yes, Mr. Speaker.

* * *

MANPOWER

LOCAL INITIATIVE PROGRAM—ADDITIONAL FUNDS FOR QUEBEC MUNICIPAL PROJECTS

Mr. René Matte (Champlain): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister.

The Quebec Municipal Affairs Minister having confirmed to me that an additional amount of $5 million had been granted to local initiative projects in the province, would the right hon. gentleman elaborate on the reply he gave me last Friday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know to which confirmation the hon. member refers. He might have received an information of which I may be unaware, but if he wishes to give me notice of his question, I would study it further.

* * *

[*English*]

NATIONAL DEFENCE

LAY-OFF OF CIVILIAN EMPLOYEES ON MARCH 30—ASSURANCE OF EARLY REHIRING

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is to the President of the Treasury Board. It has to do specifically with the 50 civilian employees to be laid off on March 30 at CFB Chatham but also the hundreds of others at national defence bases across Canada who will be laid off on March 30 because obviously the department has run out of money. Would the minister give some assurance that these people will be eligible for re-employment on or shortly after April 1? I would have directed my question to the Minister of National Defence but it is so long since he has been here that I have forgotten what he looks like.

Inquiries of the Ministry

• (1450)

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, had the question been directed to the Minister of National Defence it would have been both useful and procedurally correct. I will bring the question to his attention.

* * *

ENERGY

PROPOSED MACKENZIE VALLEY PIPELINES—CONSIDERATION OF ENVIRONMENTAL EFFECTS BEFORE PERMIT ISSUED

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I have a question supplementary to an earlier question about northern pipelines. Since there is no specific responsibility on the National Energy Board to consider the environmental or social effects of any northern pipeline, nor to hold public hearings, may I ask the Minister of Energy, Mines and Resources whether he intends to issue any new instructions, or at least clarifications, to the National Energy Board so that prior to considering any permit these factors will be fully taken into account?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would point out to the hon. member that he is mistaken in his interpretation of the statute. This is one of the general public interests that the board has to take into account. Certainly the board will have additional criteria available to it for the purpose of hearings which, as I indicated earlier, would not commence until after 1972.

Mr. Anderson: While I agree with the minister that this is one of the general interests, I was talking about specific responsibility. May I ask the Minister of Indian Affairs and Northern Development whether, in view of the fact there is no specific responsibility in this area on the National Energy Board to hold such hearings, his department, or the minister himself, will issue instructions that such hearings be held?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, under the Northwest Territories Act, we are authorized to hold hearings and we shall do so if necessary. However, we shall keep in contact at all times with the Department of Energy, Mines and Resources.

* * *

[*English*]

GRAIN

RE-ESTABLISHMENT OF INTERNATIONAL WHEAT AGREEMENT—SUGGESTED DISCUSSION WITH PRESIDENT NIXON DURING VISIT TO OTTAWA

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Prime Minister. In the talks that the Prime Minister will be having with President Nixon during his visit to Canada in the middle of

April, will he place high on the agenda the suggestion that the United States co-operate fully with Canada and other countries in re-establishing the international wheat agreement that was allowed to collapse in 1967?

Right Hon. P. E. Trudeau (Prime Minister): I will certainly take that into consideration, Mr. Speaker. When I met President Nixon in Washington for the first time that item was high on the agenda and I shall consider it again this time. But as I said to the House yesterday, the agenda has not yet been finally agreed to by the two countries.

* * *

TRANSPORT

SUGGESTED INCREASE IN ASSISTANCE TO MUNICIPALITIES FROM RAILWAY GRADE CROSSING FUND

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Transport. In view of the large number of municipal projects involving railroad grade crossings that are being held up for lack of funds, would the minister consider increasing the ceiling on assistance to municipalities through the railroad grade crossing fund?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am not sure whether the hon. member is equipped with e.s.p., but I can tell him that I had a lengthy meeting on this subject this morning in preparation for the visit next week of the Federation of Mayors and Municipalities. I can say that in principle the answer is yes. We are trying to find a formula and will continue consulting with the municipalities as to what is the best one.

RAILWAY LINE RELOCATION IN URBAN CENTRES—POSSIBLE NEW POLICY

Mr. John Burton (Regina East): I have a supplementary question, Mr. Speaker. May I ask the Minister of Transport whether his considerations involve the early announcement of a new policy on assistance for rail line relocations in many urban centres across Canada?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I spent a good part of an hour talking about Regina this morning, and I am sure that is the area in which the hon. member is most interested. This is one of the problems we are seeking to solve—the difference between a straight grade crossing and a realignment program.

* * *

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—POSITION OF NEGOTIATIONS—GOVERNMENT PROPOSALS FOR SETTLEMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Secretary of State. Can he inform the House whether any progress was made in the recent discussions between the Canadian Broadcasting Corporation and NABET?

[Mr. Southam.]

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): The only thing I can tell the House, Mr. Speaker, is that the meeting between the union officials and those of the CBC took place yesterday. I was able to talk with the CBC directors, for whom the results of that meeting were good and permitted to foresee an improvement in the situation.

[*English*]

Mr. Alexander: In view of the seriousness of the matter, would the Secretary of State advise whether the government has any specific proposal that it is prepared to present in order to effect an immediate settlement of this very serious dispute?

[*Translation*]

Mr. Pelletier: I beg your pardon, Mr. Speaker. Would the hon. member repeat his question? I missed three words and I am not sure that I did get it.

[*English*]

Mr. Alexander: Just briefly, Mr. Speaker, I was inquiring whether, in view of the seriousness of the matter, and since we all want an early settlement, the government has any specific proposal that it is prepared to present which will effect an immediate settlement of this matter.

[*Translation*]

Mr. Pelletier: Mr. Speaker, I find that question astonishing. Indeed the opposition, and it means well I suppose, is always raising objections, always suspecting us of interfering in negotiations between Crown agencies, and I am surprised—

Mr. Speaker: Order please. There is obviously a debate now between the hon. minister and the hon. member.

• (1500)

[*English*]

Is the hon. member rising to ask a supplementary? We have just about reached the end of the question period but perhaps he might be allowed to ask a supplementary.

Mr. Alexander: Mr. Speaker, I am not rising on a supplementary but on a point of order. There have been successive questions regarding the various issues in contention and under negotiation, but the government seems to want to keep them out of the House and in darkness. On behalf of the people of Canada it is our right as an opposition to pursue this question in order to ascertain whether the government is moving to create a climate of positive action so this dispute can be settled.

Mr. Speaker: Order, please. I doubt whether that is a point of order. I would think the hon. member is debating the matter in the same way that the minister was. I think the minister was out of order and the hon. member is also out of order.

Mr. Horner: On the same point of order, Mr. Speaker—

Mr. Speaker: The Chair has already ruled that there is no point of order.

Mr. Horner: Then on another point of order, Mr. Speaker—

Mr. Speaker: The hon. member for Crowfoot on a point of order.

Mr. Horner: I know that the Speaker is annoyed with this particular point of order, but I have sat and watched question periods proceed and it seems to be Your Honour's position that there must be progress made in the question period. When a series of questions is directed to a minister on a given subject, Your Honour seems to feel that after a while the matter should be dropped and the House should proceed to another subject. The rules provide that a question must be urgent, that it should be of national importance and that it should be non-argumentative. When questions are asked on a particular subject matter the Speaker should allow them if they are urgent and of national importance, and that is all.

Mr. Speaker: Order, please. The hon. member is obviously wrong. The practice is that supplementaries are entirely at the discretion of the Chair. That is a long-established practice.

* * *

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF PARLIAMENTARY DELEGATION FROM RUSSIA

Mr. Speaker: Before we call orders of the day, hon. members might want the Chair to bring to their attention the presence in the Speaker's gallery of a group of very distinguished visitors in the persons of a parliamentary delegation from the Supreme Soviet of the U.S.S.R. led by Mr. Nikolai Tikhonov, Deputy Chairman of the Council of Ministers of the U.S.S.R.

Some hon. Members: Hear, hear!

Mr. Speaker: On behalf of all hon. members I welcome these very distinguished visitors. I express the hope that they are having a pleasant and interesting visit in Canada and that they will take back with them to their country very pleasant remembrances of their visit with us. We do want to express our pleasure at having them in the House of Commons of Canada today.

Some hon. Members: Hear, hear!

Mr. Horner: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member for Crowfoot on a point of order.

Mr. Horner: I am afraid Your Honour misunderstood the exact point I was attempting to make in my point of order. I was not dealing with the question of supplementaries but with questions being put on a given subject matter by members of the different parties in the House. It is not the duty of the Speaker to rule that progress must be made and that we must move on to another subject. If the Speaker, whether Your Honour or some future Speaker, continues to rule in this way, he will lay himself open to the charge of bailing out a minister who was being attacked on a particular subject.

Some hon. Members: Oh, oh!

Mr. Horner: I would not want to accuse Your Honour of doing that, but if you place yourself in the position of having to rule whether enough questions have been asked on a given subject matter you do lay yourself open to that charge. I would not want to see the Chair placed in that difficult position.

Mr. Speaker: Order, please. I would suggest to the hon. member that I am quite prepared to take my responsibilities at all times.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

Mr. MacInnis: On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. I hope our system is not on trial at the present time. Does the hon. member rise on a question of privilege?

Mr. MacInnis: I rise on a point of order. It is not the same one.

Some hon. Members: Oh, oh!

Mr. MacInnis: This is a point of order with which I believe the Chair will find no difficulty in dealing. It arises from an answer given by the Minister of National Health and Welfare to the hon. member for Vancouver-Kingsway, an answer which is not in accord with the facts. If the minister has the ability to find the mistake in his answer, maybe he can apoligize to the House at his next appearance.

Mr. Speaker: Order, please. The Chair has called orders of the day. The point of order is not correctly taken.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Monday, March 20, consideration of the motion of Mr. Mahoney (for the Minister of Finance) that Bill C-169, to amend the Income Tax Act, be read the third time and do pass.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question!

Mr. Speaker: Will those in favour please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: On division.

Motion agreed to, bill read the third time and passed.

Explosives Act

EXPLOSIVES ACT

AMENDMENTS RESPECTING DEFINITIONS, PROHIBITIONS, LICENCES, INSPECTORS' POWERS, ETC.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources) moved that Bill C-7, to amend the Explosives Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

He said: Mr. Speaker, this is the first amendment to the Explosives Act since 1954. Its purpose is two-fold. First, it is designed to tighten up the provisions of the present law, with regard to the management, control and disposition of explosives in the light of various events which have occurred both in Canada and elsewhere involving the use of explosives.

The Acting Speaker (Mr. Laniel): Order. I would invite those who wish to carry on conversations to do so behind the curtains. I know that some hon. members are interested in the comments of the minister on this important bill.

Mr. Macdonald (Rosedale): The second purpose is to modernize some of the terminology in the statute so as to take account of technical changes which have occurred in the field, and also to take account of certain legal requirements which have been found, over a period of time, to be necessary.

With respect to the desirability of increasing the strictness of the controls which presently exist, members of the House will, I imagine, require no conviction. They will be aware of the increasing use by violent elements not only in our community but in other communities in western society, of the kind of explosives controlled by the Act we are considering, sometimes in support of political goals, or occasionally, as regrettably occurred in my own city of Toronto last weekend, for ends which do not appear to be related to political purposes. Those who were members of the House during the 27th parliament will recall how close such acts of terrorism came to us—within several hundred feet of the Chamber, as a matter of fact—when a deranged person attempted to introduce explosives within these walls.

As I have said, the purpose of the amendment is to increase the degree of control which presently exists over explosives. It would be an offence to abandon an explosive or to be in possession of an explosive which had not been legally acquired. A comparison might be drawn with the amendment the House considered during the first session of this parliament, the amendment to the Criminal Code dealing with handguns and similar weapons. The government is under no illusion that the problem will be solved merely by making a change in a criminal statute, but it is possible for parliament to create a legal system whereby possession of such potentially dangerous items can be made subject to the scrutiny and control of the authorities, especially of the police. The government recognizes the concern felt by all Canadians with regard to the need for regulating the sale and use of explosives based on recent events in various parts of the country which have indicated a change in attitude toward acts of terrorism.

[Mr. Speaker.]

While the present act concerns itself mainly with public safety, the amendments place greater emphasis on the control, purchase possession and security against theft of explosives. The amendments are designed to give the government of Canada a measure of control over explosives which will be recognized by all authorities as stringent but workable. It is fashioned, not to complement existing provincial statutes, but to develop further the kinds of safeguards needed for public safety, production and use of explosives.

In order to establish more effective control over the sale, purchase and possession of explosives, it is recommended that section 4(n) of the act be amended to give the Governor in Council power to make regulations respecting the sale, purchase and possession of explosives. We intend to recommend that the sale of explosives be restricted to: 1. a person with a valid provincial licence authorizing the storage and use of explosives on a mine or quarry operating under provincial jurisdiction; 2. a person with a valid licence issued pursuant to the Explosives Act for the manufacture, sale or use of explosives; 3. a person with a valid purchase and possession permit.

Recommendations one and two will account for most of the explosives normally consumed, while recommendation number three will cover the balance of the explosives purchased, mainly by the small intermittent user. Recommendations one and two are already reasonably covered by existing federal and provincial licences while recommendation number three is entirely new. In the latter case, the purchaser will be required, pursuant to amendments to the regulations, to complete a form of application giving such personal information as name, address, social security number and so on and such general information as location, duration and intended use of the explosives purchased. Provided the licensed distributor personally knows or can positively identify the purchaser, he may then complete the transaction.

• (1510)

A purchase and possession permit will be valid for a specific period not exceeding 90 days, and will contain detailed requirements to be observed by the permittee for the secure storage and transportation of the explosives. For identification, the explosives will be marked with the permit number and the purchaser will be required to keep the permit available and produce it, on demand, to an inspector or peace officer.

We also intend to recommend regulations which will place the onus of responsibility for the safety and security of explosives on the person who has purchased and is in possession of them, rather than on the distributor which is presently the case.

The storage of explosives on mines and quarries is exempted under Section 2(h)(i) of the act. This section was introduced in order to avoid duplication over the use of explosives in mines and quarries by federal and provincial authorities. However, it does present problems. For example, we recently adopted a new standard for explosives magazines which should greatly increase the security against theft of explosives under federal jurisdiction, but to be effective the same standards must apply to the

storage of explosives under the provincial jurisdiction as well.

Another problem we encounter with the interpretation of 2(h)(i) is that many companies who operate both a quarry where explosives are subject to provincial control, and a construction company, where the explosives are subject to federal control, feel they may transfer explosives from their quarry operation to their various construction sites. We feel that 2(h)(i) is too general and should be amended to "a place at or in a mine or quarry for the storage of explosives for the exclusive use on a mine or quarry in a province in which provision is made by the law of such province for the efficient inspection of explosives stored and used therein".

I may mention that my department controls explosives through the issuing of licences and permits. There are presently 55 manufacturers of explosives located in Canada, over 500 licensed dealers and about 1,500 magazines. Moreover, during 1970, some 800 permits were issued for the importation of explosives of all kinds, and about 400 permits for transportation by road. To perform these duties, the Explosives Division has three regional offices located in Vancouver for B.C. and Yukon, in Calgary for the Prairies and Northwest Territories, and in Halifax for the Atlantic provinces. The Ottawa office is responsible for the general administration of the act and the inspection work in Ontario and Quebec. The present Explosives Act applies to the manufacture, testing, sale, storage, importation and transportation by road and private railways.

The proposed amendments to the Explosives Act do not include any major changes to our present approach to consumer-type explosives. We feel that the present system of being able to deny authorization to any type of explosive that does not meet certain standards is the most effective means of control. We do recognize, however, that public concern has been expressed about sales distribution and transportation of some of the so-called consumer-type explosives in Canada. I shall find it very interesting when the bill reaches the committee to hear some further discussion concerning the extent to which the regime of control over consumer explosives should be changed.

More precise requirements may be made, under the authority of Section 4(f) of the present act, to advise the public of the authorization procedure and where they may obtain information concerning the list of authorized explosives. The act, as it already exists, is extremely flexible in dealing with consumer-type explosives and the above change will make the public more aware of the control being exercised. We do not know of any other country with more effective control or rigid enforcement of this type of explosive than we have in Canada. Many of the consumer-type explosives, which are commonly available in all other western countries, are prohibited in Canada.

For information, the following is a résumé of some of the consumer-type explosives which are not authorized in Canada but which are readily available in the U.S.A., Great Britain, Germany, France, and other countries: First, Cigarette loads or cigarette plugs. These small explosive charges are designed for insertion in cigarettes or cigars which will cause them to explode after the victim takes a few puffs. Second, exploding matches. These are made up to resemble ordinary book matches and are designed to explode after a certain delay, usually about the time they are in a position to light a cigarette. Third, sparkling matches. These also resemble the normal book matches but send out a shower of sparks. Fourth, tear gas pens and launchers. These resemble a pen and are supposedly for protection against muggers, but are more commonly used as offensive weapons or as practical jokes. Fifth, ammunition for miniature tie clip, cufflink or key chain pistols. This is a violent type of blank ammunition made up for use in a novelty item. Sixth, auto jokers, auto alarms and so on. These are supposedly designed as burglar alarms but are really for a practical joke. When wired to the ignition system of a car they operate with a loud screeching whistle followed by copious emission of smoke and a loud explosion. Seventh, stinks bombs. The name, I believe, is self-explanatory. Eighth, exploding golf balls. These are designed to explode and emit a cloud of smoke on impact. Ninth, Cherry bombs, M-80 Salutes, Silver Salutes, and so on. These are very violent firecrackers which annually cause serious accidents and some deaths in the United States. They are considered far too violent and contain an excessive charge of a composition we prohibit. Tenth, various throw-down or step-on torpedoes, cracking balls, etc. These are small objects designed to explode on impact. Eleventh, all other trick devices or practical jokes which employ an explosive or a pyrotechnic for their effect are prohibited in this country. Also prohibited are all indoor fireworks, except Christmas crackers, all hand-held fireworks, except sparklers, all shop goods fireworks which do not conform to our standards for testing and authorization of fireworks. According to most foreign manufacturers, these specifications are far more stringent than they encounter in their own country or in other western countries.

It is impossible to determine how many accidents we have prevented in Canada with our system of controls, but we venture to say that we have saved many lives, particularly when the record in Canada is compared with the record in the U.S.A. We are aware that because of our restrictions, some of the prohibited items are smuggled into the country, but they are not legal and they are not readily available to the general public.

This gives a general review of the proposed amendments to the act which, as I indicated, have been based primarily on a wish to tighten up the policing and control of industrial explosives and to tidy up certain aspects of the bill from a technical and legal standpoint. I shall look forward to the opportunity of hearing other hon. gentlemen on the question of this bill, and to having a very full discussion of the proposed changes and other comments when in due course it comes before the standing committee.

Mr. Cliff Downey (Battle River): Mr. Speaker, I appreciated hearing the minister's remarks. I also appreciate the concern he expressed as well as his intentions, especially when one looks around the world and sees some of the difficulties which arise in respect of explosives. However, I cannot help but think, when we look at a bill such as the one being introduced here, that

the legislation must be examined in the light of the harm it could do if improperly administered as well as in light of the good it could do if it is properly administered. There are some areas in the bill with which I think we should be concerned and which should bear a good deal of scrutiny before the bill is passed.

• (1520)

I refer in particular to the intent of the bill which is illustrated very well in section 21 which reads:

Except as authorized by or under this Act, every person who, by himself or his agent, has in his possession, sells, offers for sale, makes, manufactures, imports or delivers to any person any explosive is guilty of an offence and is liable on summary conviction,

This means that there is an onus or personal responsibility on the individual if an explosive device so named in the bill is found in his possession. He has then automatically committed an offence. I cannot go along with the consequences of legislating absolute offences and then providing for exemption by regulation. Last year or the year before there was a bill "the Statutory Instruments Act" which was to provide appeal to any inequalities or improprieties that might be caused by regulations issued under any act. However, when a bill is drafted in the manner in which this one is, the Statutory Instruments Act would offer no protection inasmuch as the regulations under this measure would provide exemptions from the crime rather than create the offence. Consequently, unless parliament provides for exemptions in the act itself, a review by the Statutory Instruments Committee of the validity of affirmative or negative resolution would provide no protection from the provisions of this act. I think that is important. It is impossible for us to discuss this bill intelligently or what the outcome of the passage of this bill will be unless we can examine the regulations that will be made under the act. Those who have studied this bill know that anybody who has in his possession at any time after the passage of this bill an explosive device will be committing an offence and will be liable to summary conviction.

I think it is useful to point out for the benefit of the uninitiated what the definition of an explosive is under this bill. We see that the term "safety cartridge" has been deleted. A special category was provided in the old act, but under this bill it no longer appears. In effect this took care primarily of the hunters and it is in the category of sporting ammunition. Clause 1(2) defines an explosive as follows:

"explosive" means any substance that is made, manufactured or used to produce an explosion or detonation or a pyrotechnic effect, and includes gunpowder, propellant powders, blasting agents, dynamite, detonating cord, lead azide, detonators, ammunition of all descriptions, rockets, fireworks, fireworks compositions, safety flares and other signals.

It covers the whole gamut. Unless an exemption is provided in the regulations, of which we have no knowledge at present, any hunter or any agent who has ammunition in his possession is deemed to have committed an offence. I suggest that this is totally wrong. There is no reason for hunting cartridges to be included in this act. It might be useful to note that by physical and chemical definition propellant powders are not explosives, and that is what we are concerned with primarily.

[Mr. Downey.]

With regard to legislating absolute offences such as is accomplished under this act, suppose we were to apply this principle to the Fisheries Act. A provision might then state that anybody who has in his possession fishing equipment or any equipment for use in catching fish has committed an offence unless an exemption is provided in the regulations. The regulations would designate the types of fish which it would be illegal to catch. Suppose it was a crime to catch a diminishing species of fish such as, say, salmon. In such a case, an officer who was enforcing the act, and who happened to see a fisherman plying his trade, would regard the fisherman as one who was committing an offence until the fisheries officer ascertained what type of fish the fisherman was catching. Under this act the onus of proof lies with the individual and he is guilty until he proves himself innocent. Under the Fisheries Act, this would mean that the fisherman would have to prove that he was not catching the protected species of fish or else he would be committing a crime. In many cases this would be an impossible task.

Another section which we should consider is section 23.2 which has to do with the certificate of chemist. Objection can be raised to this provision which requires proof by chemist's certificate. Under this section the chemist would no longer have to appear in court as a witness, and it would be sufficient proof if a certificate were provided from a chemist saying that the substance in someone's possession is of an explosive nature, unless the one against whom charges were pressed was able to prove otherwise. Under this act the onus is on the accused to acertain the background of the chemist and his reliability in providing that certificate. I suggest that this provision bears close scrutiny because it does not seem right that we should arrest a man under this act, that we should require a certificate from a chemist who is not present to the effect that this is indeed an explosive device. It would then be up to the accused and not up to the court to ascertain the reliability or otherwise of the chemist who provided the certificate.

I think that an amendment should be made to take hunting cartridges out of the explosives category because it is not right that shotgun shells should be in the same category as nitroglycerin. I think that there are other areas in the act that need amendment. There is the one with regard to exemptions. I think we will have a great deal of difficulty with provisions dealing with explosives or explosive mixtures which are in common use.

• (1530)

I would like to see what regulations will be written in that regard. Here, I am thinking of the agricultural industry. Some 80 per cent to 90 per cent of the industrial blasting in this country is done with a mixture of ammonium nitrate and fuel oil. I am in the farming and ranching business, and it is not uncommon for me to have 30 tons to 40 tons of this material on hand at certain times of the year. I suggest that this is common in all parts of the country. If we are going to have regulations and restrictions covering all these substances we will run into a great deal of difficulty. We will make lawbreakers of hundreds of thousands of people, simply because of the components of the explosives that they may have stored on their

premises. We need to know exactly what status each component will have.

Proposed new section 18 provides that:

Every person who enters without permission or lawful authority or is otherwise found in or about any factory or magazine or any vehicle in which an authorized explosive is being conveyed is guilty of an offence—

This means that if a person has premises in which he stores explosives, and within the meaning of the legislation this would include hunting ammunition, restrictions would have to be placed on the movements of his guests so that they would not go near those premises. Further, Mr. Speaker, I believe the provision with regard to the onus of proof is entirely wrong. The onus should be on the authorities to prove that an individual is irresponsible in his actions. It seems that in an effort to control crime and other difficulties that have occurred, in respect to blasting components, we are taking a holus bolus approach and imposing a mass of bureaucratic controls on a great number of law-abiding individuals.

I had occasion to look at the regulations that apply under the present act, and it is apparent that there are literally thousands and thousands of Canadians committing crimes under the provisions of the act without being aware of that fact. In the present case we must produce something that is realistic in terms of its enforceability, or else people will lose their respect for the law.

We already have a mass of regulations that are impossible to enforce. People in their everyday lives are actually breaking the law. When this happens disrespect is engendered for the law. I would like to refer to some of the regulations currently in force. There is one here with respect to the blending and safe handling of explosive mixtures. It refers to ammonium nitrate and fuel oil. They are supposed to be stored in different sites, but how often are diesel fuel and ammonium nitrate unknowingly blended, with the result that the person concerned is breaking the law? That regulation goes back to 1957.

In 1963 there was another regulation stipulating that no person should loiter in the vicinity of any area or structure where defence stocks of explosives are stored. Mr. Speaker, I am sure that anybody who has visited a defence base has seen somebody loitering in such an area. People are breaking the law all the time in respect to that regulation. Half the people on a defence base are civilian personnel. If a man has his hands in his pockets, is he loitering?

Then there is another regulation which says that when an explosive is contained in a package, the outer package must be destroyed or disposed of in such a manner that it cannot be re-used for any purpose. Mr. Speaker, how many children have filled a .22 box or shotgun shell box with some other substance, making a toy out of it? What about powder cans? They are great for holding screws in home workshops. But anybody who uses them that way is breaking the law. I say it is completely unrealistic to make a criminal out of a child who puts sand in a box which held .22 shells.

There are other regulations that are equally ridiculous. There is one which says that a quantity of explosives of a certain class, including fireworks, exceeding five pounds may not be carried in a vehicle that is carrying public passengers. In other words, not more than 5 pounds of hunting ammunition can be carried in a vehicle that carries public passengers. I would estimate that a box of shotgun shells weighs 2 pounds, so that in effect a person taking three boxes of shotgun shells home with him on the bus is a criminal, according to this regulation.

There are other restrictions with respect to the hauling of explosives. One regulation states that after the operation of unloading from any vehicle is commenced it should not cease and should be completed as expeditiously as possible. I think that the present limit of a load on such a vehicle is about 10,000 pounds. If workers stopped unloading half way through in order to get a cup of coffee they would be breaking the law.

The same regulation provides that vehicles used for the transportation of explosives:

—shall be inspected daily to ascertain that

(i) the fire extinguishers are filled and in working order,

(ii) the electric wiring is completely insulated and firmly secured,

(iii) the fuel tank and feed lines have no leaks,

(iv) the chassis, engine, pan and bottom of the body are clean and free from surplus oil and grease,

(v) the brakes and steering apparatus are in good condition, and

(vi) the spare tire and wheel are in a fixed position—

It also provides that:

—explosives shall not be loaded onto or into a motor vehicle unless the vehicle has been fully serviced with respect to supplies of fuel, oil and air;

From that I would gather that anybody hauling explosives has committed an offence if he has not checked the tires, has not seen to it that they are up to a certain pressure, has not filled the gas tank with fuel, and has not checked the oil. This is utterly ridiculous. To try to enforce regulations like this would mean utter disrespect for the law. To pass the bill in its present form, providing that it is an offence to possess explosives unless there is a remission by regulation, would be a backward step, one that will only get us into trouble.

I can understand what the minister is trying to achieve. He referred to the recent blast in Toronto, and I know that at the time the War Measures Act was invoked there were some explosions in various cities in Quebec. Let us look at the world scene. The troublespot where this act might have some bearing at the present time, I think we would have to agree, would be Ireland where blasts occur every day. The regulations pertaining to explosives and guns in Ireland have been in effect for about 60 years. Under these regulations only a few people can possess guns, and explosives are out of the question. It is illegal to possess guns, illegal to possess explosives—it is illegal to belong to the IRA. What has this accomplished in the way of peace? Absolutely nothing. These regulations have imposed a host of restrictions on ordinary law-abiding citizens because of the criminal element and the people who are making the trouble in that country. The law in this regard has no effect at all on crime and insurrection.

• (1540)

Passage of this bill before us would mean that the ordinary law-abiding man who likes to go hunting on Sunday would have so many restrictions that he would

just wonder if it was worth the effort. There is no evidence that these restrictions have done any good in other countries where they have been in effect for many years. It is probably some bureaucratic zealot with a hang-up about firearms and explosives who created this monstrosity which confronts us today.

In commenting on this bill the Ottawa *Citizen* of March 2, stated:

> The minister said that the new law will place a heavy obligation on all lawful users of explosives—

The article went on to comment on the terrorist tactics at which this bill is aimed. I think the introduction to this bill suggests that we trust the government and have faith in them to provide suitable regulations which will look after all these law-abiding people who may be potential users of explosives. I would like to bring forward another matter in regard to trusting the principles and motives of the government.

In the last year we have all been involved in a great debate on marketing boards. I am referring to Bill C-176. Some provincial marketing board groups appeared before the committee to say that this was a good thing and that we must have faith that it would be administered properly. I can remember particularly that it was emphasized time and time again that the provinces would have full control over these boards, that there would be no difference, that the federal authority would be the co-ordinating authority and all that. I was surprised last week to see an article in the *Farm and Country* magazine of March 14, which stated, under the heading "Will C-176 Strip Broiler Board of Its Powers:

> The government wants more. "I cannot contemplate the federal government agreeing to an agency only powered to co-ordinate interprovincial movement," said Charles Phillips, Canada Department of Agriculture marketing director-general.
>
> Philips told the recent Toronto meeting of the Ontario Commodity Council that provincial marketing boards must relinquish enough power to let the federal agency fully administer the national plan. He noted there may be some need to federally regulate intra-provincial movement.

In other words, now that the bill has been passed, the attitude is different. The government is now saying that they must have the power to override the provincial authorities. This is the same government we are dealing with in regard to the explosives bill. When we see what has happened to the marketing board legislation, how can we close our eyes and let this bill go through when the provisions creating offences are in such absolute terms? Any remission of the offence has to be through regulations. How can we go along with that type of thinking in light of our past experience with a government which has broken faith? That is what concerns me today. Before this bill passes, we need to have suitable measures built into it to take care of those individuals; we need to have a look at the regulations and see where the man in the street stands.

Mr. Speaker, I should like to move an amendment at this time, seconded by the hon. member for Crowfoot (Mr. Horner):

> That all the words after "That" be left out and the following substituted therefor:
>
> "this House, affirming the principle that the criminal law of Canada extends only to anti-social acts and repudiating the principle of Bill C-7 that crimes include innocent acts as well as anti-social acts save only those acts exempted by regulation in the government's discretion, refers the subject matter of Bill C-7 to the Standing Committee on Justice and Legal Affairs."

[Mr. Downey.]

The Acting Speaker (Mr. Laniel): Order, please. Looking at the amendment moved by the hon. member for Battle River (Mr. Downey) the Chair has some hesitation about the form of it. The amendment seems to do two things: it is a reasoned amendment partly opposing the bill and at the same time referring the subject matter of the bill to the Standing Committee on Justice and Legal Affairs. To my mind, the amendment would have to be one or the other. By his amendment the hon. member could oppose the bill or any part of the bill and leave it at that or choose to refuse the second reading of the bill and at the same time refer the subject matter of the bill to a standing committee. Before making a definite decision, I would be ready to hear comments from hon. members interested in the procedural acceptability of the amendment. I shall then make a decision.

Mr. Macdonald (Rosedale): Mr. Speaker, the principles involved in amendments on second reading I think are well known. I would refer the Chair to the Fourth Edition of Beauchesne, section 386(3) which reads:

> The House cannot, under the guise of referring the subject matter to a committee, refer also certain provisions of the bill itself.

It seems to me that since the amendment put forward by the hon. member refers to both the terms of the bill and the regulations, it offends that aspect of the commonly accepted procedures of the House. I suggest that the amendment as put by the hon. member is not a reasoned amendment, as that term has been understood and accepted within the provisions of the customs and procedures of the House over the years. Therefore, I would seek to reinforce the hesitation which Your Honour expressed and say that in its present form the amendment is not acceptable.

• (1550)

The Acting Speaker (Mr. Laniel): The argument just made by the minister confirms the hesitation of the Chair. May I read part of the citation to which the minister referred. The last part of citation 386(3) on page 278 of Beauchesne's reads:

> The House cannot both refuse to give the second reading and refer some provisions of the Bill to a committee. It shall have to make its choice.

The amendment referred to was ruled out of order. Therefore, for the reasons expressed, I cannot accept the amendment in its present form.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am particularly interested in this bill, both for what it says and for what it does not say. With some clauses I agree entirely. I agree that some clauses dealing with explosives are good. Other clauses are not so good, for the government has tried to do by the back door what it cannot do by the front door. That is normal practice for this government. If the government really intends to go after people like the members of the FLQ, it should say so, and go after them under the Criminal Code, perhaps, instead of

playing about with what appears to be an innocuous explosives bill.

I have bought and used more explosives in a month than the FLQ has used in all its existence, and I did this over many years. I know that some quarries, mining companies and prospectors have taken liberties. They have done so only because inspection was not enforced. The government did not enforce the regulations already in existence and was lax in handling problems involving explosives. If this government or country thinks you can eliminate the illicit use of explosives simply by passing this bill, I can only say that the problem of explosives is not being astutely handled. One of these days someone will take a carload of common, ordinary farm fertilizer, dump in enough fuel oil to make it adhesive, put in some kind of primer, and he will make a reasonably big bang pretty cheaply. Most explosives fit into that category. An explosive in itself is not bad; it is only bad when improperly used.

I do not object to regulations requiring us to take every kind of precaution possible in the manufacturing of explosives. We want people handling explosives to know exactly what the results of misuse will be. However, there must be uniformity in legislation. I have worked with people who have handled explosives for long periods of time and their nerves have become very bad. One chap lit a fuse that was supposed to be 18 inches long; when he lit it, it was only 5 inches long. He lit it, jumped off the car, heard the big explosion and the people around there were back on the car in seconds. That was a mistake, and the man made it because his nerves were bad. He had been handling explosives for too long. If the government had not insisted on pretty severe safety restrictions applying to the manufacture of fuses, and if it had not insisted on certain minimum safety requirements, people like that would be in much greater trouble. Therefore, I agree that the government has a responsibility in this field.

I agree that regulations regarding the transporting of explosives should be enforced. Such regulations really will not make much difference, when you consider some of the other substances being transported. For instance, a carload of dynamite being hauled on the highway is not nearly as explosive as a carload of gasoline, and not half as explosive as a carload of liquid propane, or bottles of liquid air or oxygen. The explosive power of many substances is far greater than that of substances we normally use as explosives. For instance, the army hauls high explosives on the highways, and the trucks carry no markings. The army has moved—yes, Mr. Speaker,—even atomic weapons up and down the highway, mostly at night. Nobody has known about it and the trucks were not marked. That is how they moved atomic weapons to North Bay. They were moved in secret, with as little fanfare as possible, and the trucks were not marked. Yet, we make it a point of introducing highly restrictive legislation affecting explosives.

Why is the government doing this? Obviously, it wants to convince the public that it stands for law and order. It is saying, "Let's get rid of all illegal explosives; let's cut out the possibility of bombings taking place; let us cut down on the murders which take place." In short, the government is saying, "We really stand for law and order; we are tough, and we are going to do something about it." That, Mr. Speaker, is a lot of tommyrot.

I hope that if we pass this explosives bill the civil servants working in the minister's department understand how explosives can be used. I hope some of them understand the legitimate purposes for which explosives can be used. As I say, there must be inspection. Explosives must be examined carefully. I am not arguing that we should move explosives up and down the road as though they were cords of wood. Every precaution possible should be taken to make sure that people do not run afoul of explosions. On the other hand, we must make it possible for people handling explosives legitimately to have ready access to explosives. Under the old act we excluded explosive cartridges. In the present bill we include in the definition of explosives, propellant powders, ammunition of all descriptions, rockets, fireworks, safety flares and so on. Why are those things in there? I have not heard of cartridges exploding accidentally, save in wartime. Millions of cartridges every day are being filled in Canada in home workshops and basements, and there is absolutely no danger of their exploding. Why should cartridges be included, unless the minister is trying to do something that is not related to explosions?

Why are flares included? Why are we to make it mandatory that storage places are to be built so many feet from any building, that the temperature is to be kept at a certain level, that certain kinds of locks are to be placed on warehouse doors, and so on? Why are the various parts of certain explosives to be separated by so many feet and contained in cement block buildings, and so on? Why must we do that with safety flares? When Canadian Tire decided to sell safety flares, commonly known as fusees, I thought it was a good idea. You can buy three safety flares in a small package. If you are stalled on the road, you put them in front and behind your vehicle. These flares prevent accidents, and I think they are a good idea. Now, the minister decides that there must be the same kind of regulations governing fusees as govern dynamite, cordite, driftite, stopcite, forcite, gelatin and other explosive substances. These little safety flares are to be put in that category. This means that Canadian Tire and other stores in Canada selling these flares will need to keep them in reinforced units specially built for that purpose. The fusees will be kept in these buildings, and it will be hardly worth while selling them. Anybody who wants to buy them will need a licence; and, of course, the people selling them will need a licence.

• (1600)

I would need a four foot sign on the back of my car with flashing lights in seven colours if I were carrying explosives. Well, I would not need a fuse if I were going to all that trouble to create an explosion. The regulations can be that ridiculous. If we were to do exactly what the minister said he wants to do, obviously we should have two kinds of acts, one to handle explosives and the other to limit the use of a number of commodities. I listened to the minister outline those commodities. I suppose this law will put most of the joke shops out of business. I never bought these commodities because I always thought they were stupid. I do not have that kind of a sense of humour. When my car goes bang, it usually means I have to pay $35 for a

new muffler and that is no joke. I do not intend to attach a contraption that will produce that kind of a result. If the minister is going to provide protection to those who use explosives in mines, quarries, construction companies and other legitimate users, he will not fool around with the type of thing you put in your hand and which goes bang when shaking hands with another fellow. That, apparently, is the purpose of this act.

We could raise the constitutional problem. We do not have a constitution like that of the United States which permits everyone in that country to have a gun. When the Criminal Code was before us, the Canadian public decided they were not in favour of a total restriction of firearms in this country. I am not going to participate in accomplishing the same thing through the back door by including in this act safety cartridges, ammunition for guns and shotgun shells. It is quite true that under one act a person may have a gun, but under another act he is not permitted to have ammunition for that gun. That is fine for collectors because sometimes they are odd people. Some want ammunition, some do not. Some collectors only buy ammunition and no guns. They consider that a collection.

When dealing with another piece of legislation, the government stated that approximately 35 per cent of the population in Canada lived in four major urban centres. If that is true, I agree that in most cases a person may not have any desire to own a gun or to purchase ammunition. If he did, he could go to the police station, buy a gun, get a permit to buy ammunition and another permit to transport the ammunition down a highway. He could make all those special requests because it would be for a very special purpose. However, the exact opposite is true in my part of the country. Almost everyone owns a gun and almost everyone goes hunting. The other day I talked to a chap who had been working too hard. I suggested that it would be very easy for him to go to Spain for a holiday. This fellow was not poor. He could afford to go to Spain or some other part of Europe. He said he would rather go hunting. A large percentage of the people in northern Canada consider going hunting with their companions to be an ideal vacation.

The minister stated that a person selling ammunition would have to have a licence, and would have to meet stringent requirements in order to retain explosives. The minister will say that is not true. Probably that is what he thinks. However, I am not sure what some of his subordinates think. I do not believe the minister is sure either. Every time we have a problem with a piece of legislation, and I am thinking now of the Unemployment Insurance Act, the government says "you people passed the act". Then, they say this provision is not in the act, it is in the regulations. Damn near everything in this country is done by regulation, not legislation.

I suppose the regulations will limit the ability of a small service station operator in my area who had to pull political strings to sell ammunition. This is in a remote area where fishing and hunting is of prime importance. This service station operator had to get a licence to sell hunting and fishing licences. He probably has a dozen cartons of shotgun shells, not more than a case of 22 shells, probably eight or 10 boxes of ammunition in the common sizes of

303, 306, 308, 30/30, the common types of ammunition for hunting in that area. Under the regulations made under this act, he will no longer be allowed to have these.

I cannot think of any offence that has occurred where it would have been an advantage to restrict sales of ordinary ammunition. I am sure that in most robberies and other offences that type, small arms, sidearms, revolvers, Lugers and similar types of equipment are used. Most people that I know do not stock Luger ammunition, 9 mm ammunition and center fire cartridges for 38's. They do not stock that kind of ammunition because they do not have permits to sell it. I suggest this kind of ammunition is obtained from another source that is readily available to the element that has a use for it. If so, we should discuss that openly and come to some conclusion on it.

I strongly urge the minister not to include clause 2 in the bill. This includes a definition of explosives, ammunition of all descriptions, fireworks, safety flares and so on. I am well aware that some of these have a danger. Safety flares may have a danger, but I do not know what it is. They may burn the house down. I can remember as a young boy stealing torpedoes or thunder claps from the railroad. I put them on the railroad track, the train ran over them and made one hell of a noise.

Mr. Alexander: You didn't do that.

Mr. Peters: Yes. That happened when I was only seven or eight years of age. I agree with the minister and his officials that the railway company has an obligation, not so much for my sake and the trouble I may cause, but for its own safety. Why should they let children louse up their safety and signal systems by leaving these in an unlocked shack along the railway track? That is like Kresge's putting all their small junk and candies on a low counter for children to steal. It is an unreasonable temptation. The people who should do something about this are those who cause the temptation. The banks do not put sample money on the counter because they know it is not advantageous. The railways should display the same caution.

I can tell you some things that may happen. Before safety flares were generally available, many policemen got them from railway workers, and these flares were used to good advantage. We are not requesting that the railways tighten their control over flares, but we are saying that they should be placed in the same position as anybody else with regard to handling explosives.

• (1610)

Although we may not stop this bill from going through, I have news for the minister. I do not give a damn what he does about ammunition in northern Ontario; if we do not get it any place else we will get it from United States tourists, just as we get fishing tackle. They will bring it in and none of it will return with them. If that happens, the control now possible through the orderly sale of ammunition in a store will be totally destroyed and the minister will be caused trouble that he never expected.

I am sure the minister is aware that if a person has a .38 or Luger which is registered with the police, such a gun would seldom be used for an illegal purpose. The same is true of ammunition. I have always been concerned, partly because of my ignorance, about the growing spread of the

use of handguns today. I say "because of my ignorance" because I do not really know anything about the subject. I am always concerned when I see a pailful of weights in my garage taken from cars and which my son has collected to make bullets. I know he will be using a lot of powder and youngsters are always pushing guns to their limit. Anything we do to restrict the legitimate, reasonable and orderly sale of ammunition I suggest will further the market for reloading cartridges to push a gun beyond the safety factor.

Manufacturers of shells have their own equipment to test the maximum explosive effect a given gun can withstand. The homeloader makes this test by trial and error, and when he exceeds the maximum the error may be a costly one. So, let us not bow to those who talk about law and order without thinking just what law and order may entail. Let us not complicate a simple act that seeks to regulate the use of explosives for legitimate purposes by putting in all this junk to which the minister has referred. I suggest we leave the act as it was, and that safety cartridges be excluded from its provisions. I also suggest we exclude flares and some of the more harmless fireworks. I was not badly brought up but my mother and father let me play with five cent firecrackers or sparklers on certain occasions, and I do not think it hurt me. We would be taking away some of the joys of being young were we to prohibit young folk from playing with fireworks simply because they could be dangerous in extreme cases.

Is the minister going to say that under this act and regulations no one under the age of 15 is allowed to buy firecracker devices, or is he going to say that those who go to great expense to buy the necessary equipment to maintain explosives in top shape are to come within the act? One of the problems created in provinces where it is not mandatory to keep explosives in proper shape is that when the dynamite deteriorates, or the glycerine inside the cartridge exudes to the surface, it becomes highly dangerous. As a result, these cartridges should be properly disposed of. I am sure some of the dynamite used by the FLQ was dynamite discarded by quarry companies as unfit for use. Nevertheless, in its deteriorated state it can be highly effective when used for other purposes. Therefore, I am glad the minister is tightening up the provisions regarding the disposal of explosives obtained legitimately.

I shall be interested to hear from the officials about particular abuses which have taken place and to what extent they intend the act to go. Without this information I will not be able to support the legislation, for the simple reason that I know that it will lend itself to a multitude of abuses. Law and order officers will try to eliminate use of guns in Canada by placing restrictions on the sale of ammunition. This will mean each little service station and country store in my area, many of them 50 or 75 miles from any municipality, will be prohibited from carrying on its shelves ammunition for use by hunters in the area. These restrictions will be enforced by zealous, stupid people—most of the law and order officers fit into that category—who do not face a problem but try to solve it by subterfuge, and this usually creates more problems than it solves.

I am very much in favour of the changes that have been made in the provisions governing the use of explosives. My only objection is to the use of this bill for an ulterior purpose, one that lends itself to great discrimination against 75 per cent of the people in this country who on occasion like to go hunting for pleasure and for game.

• (1620)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the bill before us is intended to give citizens and society more protection against the hazards inherent in explosives. However, if we analyse the reasons which prompted the government to introduce such legislation, I think it in order to question some clauses of this bill; although they put much more teeth in the present act and make the use of explosives much stricter, they might not in fact make it all that much easier to reach our objective.

I agree almost completely with the hon. member for Timiskaming (Mr. Peters) on the points on which he dwelled in his speech, Mr. Speaker, for it is not indeed by being more stringent about the manufacture and the use of explosives that a social problem will be solved.

That some individuals totally lacking in human decency should have used explosives for unavowable or extremely wicked purposes must not make us lose our senses and pass laws that are so strict that finally, those who would normally benefit from their advantages might really become their victims.

I should like to stress a few specific points. It is true, as the member for Timiskaming pointed out, that the reforms proposed by the bill might lead to endless abuse. I may be told that regulations to be set up will decrease of or remove those abuses.

Mr. Speaker, we have already had striking examples. May I mention one related to the infamous events of October 1970 in Quebec where, through the War Measures Act, efforts were made to arrest a handful of people, about ten at the most. The act that was applied was far too strict, all out of proportion to the objective, and I wonder if the changes proposed here might not lead to similar abuse.

Some 500 or 600 persons were arrested under the War Measures Act, for absolutely nothing, Mr. Speaker, thus denying the freedom of thousands of individuals because of an act that was too strict, too severe, too specific.

In this case, the object is indeed extremely worthy: to keep shady characters, commonly known as terrorists, from having easy access to explosives. We are all aware, Mr. Speaker, that we must not make things too easy for that type of bandits who could spread terror in the land if getting explosives is a cinch.

But, Mr. Speaker, it is well known that it is not through stricter administration of the law for the majority of people, that this kind of persons will be rehabilitated. All sorts of laws can be enacted to prohibit thefts, but we know that thefts are constantly on the increase. I would even suggest, Mr. Speaker, that the stricter the laws and the more they infringe on personal freedom, the more provocative and explosive they will tend to be.

This is why I am wondering to what extent it was useful to amend this act. Here is another example of possible misuse. Clause 18 of the bill reads as follows:

Every person who enters without permission or lawful authority or is otherwise found in or about any factory or magazine or any vehicle in which an authorized explosive is being conveyed—

• (1630)

I am aware, Mr. Speaker, that this is intended to prevent those who would steal dynamite and who would be found, at a given time, "about" a place where dynamite could be had. I understand that. This example, however, shows all the possible abuses that can occur, and someone who would happen to be strolling not very far from a truck loaded with explosives, or a magazine, or an explosive factory, could be arrested. I do not suggest that this will inevitably happen, but that the amendment before us creates this possibility, Mr. Speaker. Here is part of clause 18 as amended:

—is guilty of an offence and is liable on summary conviction to a fine not exceeding one thousand dollars and he may be forthwith removed therefrom by any constable or by any person employed at the factory or magazine or the operator of the vehicle, as the case may be.

Once again, Mr. Speaker, the objective is very commendable but we will never sufficiently understand that it is not through strict laws, not by harshness that we will correct the individuals who have attained such a degree of lunacy that the only solution they have is terrorism. We should find ways of correcting society itself since the people who are causing so much trouble are products of our society.

Even if we build double and triple concrete walls around magazines, if we make explosives almost inaccessible for those who in good faith need them for useful and even essential works, all this will never prevent lunatics or cheaters from getting dynamite anyhow. Agitators will at all times be able to organize interception of vehicles transporting explosives, entering building sites and taking possession of explosives, which is what happened in Quebec. Notwithstanding the watchmen, when there are people ready to hold up banks in full daylight, terrorists—if any—will find some way or other to go around a legislation, however strict it may be.

That is why I say that, even with amendments, Bill C-7 now before us will, in my opinion, bring about no improvement and will complicate the life of some Canadians who will henceforth be caught in an inextricable web of difficulties.

For instance, I am sure the regulations will provide for this. In fact, clause 3 indicates that section 5 will be repealed, and I quote:

Except as authorized under this Act and subject to such exemptions as may be provided by regulation, no person shall

(a) make or manufacture explosives either wholly or in part except in a licensed factory;

Mr. Speaker, you know as well as I do that in chemistry laboratories, whether at the CEGEP or at university level, explosives are manufactured, which means that teachers in the CEGEPs and students in CEGEPS and universities could be arrested on the grounds that their chemical experiments result in manufacture of explosives. Evidently, I am sure the regulations provide for such cases, but I wonder whether an explicit amendment could not do away with that ambiguity.

So, if a time came when we would stop all chemical experiments under the pretext that one or two terrorists might get their hands on a few sticks of dynamite, Mr. Speaker, that would be exagerated. And if our society has produced such crackpots, Mr. Speaker, it is because there are shortcomings in our society. But none of these stem from the Explosives Act which is already quite strict, and of course I agree that it should be because we cannot be allowed to play with such things. As everyone knows, the Explosives Act is being amended because there have been terrorist activities in Quebec in the past. Acts of terrorism will be prevented only through elimination of all the faults of our society which produces such crackpots.

We should bring in legislation promoting the freedom, emancipation and fulfilment of the individual. We should pass legislation which would make Canadians so happy and so free that they would never consider doing wrong. As for those who would misbehave because of some mental deficiency they would be shut in.

Surely, when every Canadian will enjoy a minimum standard of living and will be guaranteed maximum individual freedom, there will be no more terrorists left in the country.

Before amending the legislation to make it more stringent, before erecting concrete walls to prevent terrorism, we should further consider other legislation promoting individual emancipation and fulfilment. This is what Canadians need and this is what they are asking for. And the reason why today a certain segment of the population, no matter how small, sees no other means than terrorism or destruction to achieve its objectives is that there are cracks, there are gaps, in this country's legislation.

Mr. Speaker, we know that the Prime Minister (Mr. Trudeau) has taken a stand on this issue and that he is opposed, for instance, to making compulsory the carrying of an identification card.

I feel, Mr. Speaker, that it would be far more logical and far more effective, before we pass legislation to make access to explosives more difficult, to pass legislation which would make it easier for people to prove their identity on any occasion, in order to protect the individual.

Some people will say: No, on the contrary, this would trespass on freedom. People who have nothing to hide are never afraid to say who they are. It might be more important, therefore, to consider passing legislation giving every Canadian the means to prove his identity effectively on any occasion, rather than legislation which advocates building concrete walls around powder-magazines or which will prevent the farmer on a concession road in the constituency of Champlain, for instance, to accomplish certain useful tasks because of the complexities of the legislation.

I think that while we are trying to stop a very small group, we are not going to stop them at all. You can be sure that if some people have it in their heads to go and steal explosives, they will find ways to do so no matter how strict the law is. You will not stop this, but at the

same time you create difficulties for quite a number of people.

So, Mr. Speaker, I will conclude my remarks by saying that if the minister proposes amendments which will improve certain clauses of this bill, I will support those amendments right away; but if the amendments are not adequate, or if no changes are made, I will have to oppose this bill.

We support the freedom of the individual so much that it is not our role I think to make access to progress, work and so on, difficult for most people, simply in an effort to curb harmful acts, because it is well known that these harmful acts will be committed anyway if we keep the same hotheads. And to correct those hotheads, we shall have to devise other legislation that will offer better safeguards for freedom.

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to take part in this debate on Bill C-7, I must begin by saying I agree wholeheartedly with much of what the previous speaker said in respect of his concern and his views about this piece of legislation. First of all, I believe this legislation should receive a very thorough examination in the committee because it touches upon the very freedoms of the individual which all of us cherish so much. One really should ask oneself why such an act is necessary and why the government is bringing it forward. In this particular case, I believe most members will come to the conclusion it is partly or mostly because of the uprising in Quebec of October 1970. Then, of course, in considering whether or not this piece of legislation would halt or forever prohibit similar uprisings in the future, one can only come to the conclusion that it would not. In fact, I would be led to believe that if another uprising were to take place, the next would be much better organized and much better planned.

One learns by experience, no matter in what field he is. He may be a demolition expert, an expert at making bombs or an expert in terrorist tactics. Certainly, the next uprising may be carried out by the same people or may be led by the same people. One can be sure that it would be better planned, better organized and perhaps much more extensive because the leaders would have a far larger following before the uprising is initiated. So if you follow common logic, and I think that is the only thing to do, this bill does nothing to stop a well planned, organized uprising or insurrection against the state, against the municipal government or against any authority.

• (1640)

Would this act prohibit a well planned, well organized uprising? No, it would not. Similar legislation is not doing it in Ireland, as somebody suggested. Makarios of Cyprus recently had a large amount of arms and ammunition in his possession. He had them shipped in from Czechoslovakia. I understand that since then he has turned them over to the authorities. Arms and ammunition can be acquired from other countries. Quebec has a particularly rugged coastline and any amount of ammunition, arms and dynamite could be smuggled into the province by a well organized group of people who wanted to terrorize the authorities. So, this act comes too late. What is it attempting to accomplish and what will be its harmful effects?

Actually, this bill will make life more complicated for the average Joe who perhaps likes to do a little hunting on his weekends or in his time off. Hunting is becoming one of Canada's biggest pastimes, aside from skiing and taking part in spectator sports such as football and hockey. Many people find a great deal of pleasure in hunting. We have large areas in Canada which lend themselves to hunting. There are a number of gun clubs, hunting clubs and sports clubs which encourage the development of this sport. This bill will only make it more difficult for them. Also, in many of our schools across Canada a great interest in rockets is developing. It might interest the House to know that one such rocket club is operating in my constituency. They are having a showing of their rockets on April 1; they have invited me to attend and I have accepted. This group of young high school boys is under the guidance of a teacher. Last winter they enjoyed building and launching their rockets and they are pretty proud of their achievement. Clause 3 of the bill would cause a great deal of trouble for them. It reads in part:

—no person shall

(a) make or manufacture explosives either wholly or in part except in a licenced factory.

I have yet to go to the demonstration, but I believe that it would fall within the terms of that provision.

We really should analyse our society. Back in October, the Prime Minister (Mr. Trudeau) asked if we were a bunch of runny-nosed, weak-kneed kids who could not manage our society. I believe the government and the minister should analyse that question, because it is the duty of the elected bodies to make laws to protect society. What have we done in that regard? This House has passed the Criminal Code, which provided capital punishment only for the murder of policemen and prison guards. The government has even neglected to enforce the wishes of the House with regard to society. As an hon. member near me suggests, 37 policemen have been murdered cold-bloodedly since 1961, with no repercussions from society.

What are the repercussions from such an attitude? We find law officers who are inclined to take the law into their own hands. They shoot first and ask questions after, particularly if they see someone coming at them with a gun. I do not blame them, this is natural. Let us look at the effect this attitude has had on our citizens. There is a growing fear in Canada that too many citizens are acquiring guns, pistols and the like to protect themselves and their homes. Does this not mean that society or its governing bodies have failed to provide the security which the citizens want? That is how I understand it.

This bill does not help the ordinary citizen; it does not bring him a greater degree of security. In fact, it creates a situation where crooks and murderers can acquire weapons while ordinary citizens cannot. The policeman is not inclined to defend them because his life is not protected. So, security is not provided to the individuals in our society. I think this is terrible. To go back to the October 1970 uprising in the province of Quebec, let me point out that the greatest fear at that time was that army depots and arsenals would be robbed, that guns would be stolen

or ammunition and dynamite taken from the army. This will still be possible after this legislation is passed. These people will still be able to acquire all the ammunition and arms they want. This bill does not prevent them from doing so, but it does make it very difficult for a law abiding citizen to live within the law.

Any time a piece of legislation is passed, we know that seven out of ten people will be breaking that law unconsciously. This is a terrible weapon in the hands of some over-zealous policeman, municipal or federal, and it encourages him to crack down on an innocent person. This is wrong. We must ensure that our police force operates in a fair and just manner. Policemen should not interpret the law, but they should ascertain the facts and allow the courts to do the judging. Recently, the *Canadian Weekly* magazine of March 18 contained an article on Canada's toughest cop. I read the article and it amazed me that the photograph of such a man would appear on the front page of a weekend magazine which goes into every home. Are we proud to have such cops in Canada? I do not think I was when I read the article. However, we have them, and we are proud of them, because we need them since governments have failed to enact laws and society to obey them. The government has failed to enforce the laws that this House has passed.

I understand the feeling of compassion that many people have and their desire to see the criminal rehabilitated. On the other hand, there should be no leniency and no compassion for the cold-blooded murderers, the hired killers, the Mafia killers who operate in Canada and elsewhere, and the murderers who take part in insurrections against the state. Let us not forget the question the Prime Minister asked: what we are, a bunch of weak-kneed, runny-nosed kids? He went on to say that we were bleeding hearts. I think the Prime Minister is great. He can rise to occasions requiring hardness and coldness, but he fails to last, to continue the degree of hardness and coldness that society calls on the Prime Minister to accept as his responsibility. I think he should accept that responsibility. He should remain cool and calm. But when there is deliberate murder—call it first degree murder or second degree murder, call it capital murder or anything you like—this impairs the security of the individual in our society.

• (1650)

In my opinion, this legislation is an acknowledgement of the fact that in Canada there is less and less security, and the freedoms of the individual are being threatened. In introducing this legislation, the minister said, in effect, that we must try to make society secure. But is he making it secure? Not at all, Mr. Speaker. He is taking away some of the freedoms, and making things more hazardous for the individual. Under proposed new section 18, if you are in the neighbourhood of a factory or magazine, and in this context magazine means a premises for storing dynamite, and you are there without permission, even if you are there unknowingly, then a policeman may arrest you on suspicion that you are attempting to steal something from the magazine or factory. In that case, you are immediately deemed guilty and must prove your innocence.

We in this country have long believed that a person is innocent until proven guilty, although that principle has been chipped away in various pieces of legislation. Under this proposed new section, a person is deemed guilty the minute he is apprehended by any law enforcement officer. This is contrary to my opinion of how a free society should operate. A government that fails to ensure security within society has failed to accept its full responsibility and should not be allowed to govern any longer. If my interpretation of the minister's introductory remarks is correct, and the people of Canada believe as I do, they will dismiss the government in the next election.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, I was surprised as I listened to some of the speakers for the official opposition. One would have thought that that party, which historically has stood for law and order and the great civic virtues of responsibility, would welcome legislation like this which has the characteristic of bringing up to date a type of regulatory procedure which has been in the statutes for a long time. But one is led to believe, by the speeches made by the hon. member for Crowfoot (Mr. Horner) and his colleague who preceded him, that they are against the regulation of explosives, that they rather favour the idea of people not being regulated regarding the importation, acquisition and transportation of explosives in Canada.

I think that the arguments we have heard are those which might be made against any criminal legislation. It can be said that there will always be thieves, there will always be robbers, there will always be people who commit violent assaults. If the logic we have just heard from the hon. member for Crowfoot is applied, then why have laws against thieves, against robbers, against people who commit assaults? We are told that this kind of law may not apply to the Mafia, and that seasoned felons or thugs will violate it. That may be so, but it does impose a type of control on them, and it achieves a degree of protection for society which every outward sign indicates we need more and more as years go by.

My immediate purpose in rising in this debate is to deal with a rather minor complication which the development of technology and scientific interest has brought upon us. There are many young people in this country who are interested in rocketry. Probably they are potential spacemen. I was surprised at the beginning of this year to receive a communication from a group of high school students in my constituency telling me that their rocketry group got tangled up in governmental red tape. They wished to construct a rocket. They set about finding out where one went to get a permit for this purpose, and what law applied. Mr. Speaker, I was advised by these young people that they found in this city, in this region, they were passed around from one agency to another. Finally, their local police force gave them some kind of a permit. They have addressed a question to me which I hope will be answered in the debate on this measure. Where does one go in Canada to get a permit to construct rockets? To whom do school children, who are interested in this subject, go to get permission? Or do they indeed need permission for this purpose?

I think that the discussion which we are having will not only perform a valuable function in bringing the law up to date but may also serve the equally valuable purpose of informing the public as to what the law is and who admin-

isters the law. My brief contribution, Mr. Speaker, will conclude with my expression of the hope that in the committee information will be given about the application of this law to the growing interest of young people in the science of rocketry.

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to associate myself with the remarks set forth initially by my colleague from Timiskaming. I support his contention that basically what is being sought to be done here by this bill is to try to put together, under one set of confinements and constrictions, two things which really do not belong together. The idea that a case of 80 per cent powder is the equivalent of a box of .22 shells and should be licensed and controlled in the same way, does not stand up.

I want to expand a bit on that from the point of view of a rural member, from the point of view of a person who lives in an area where it is pretty common practice to have rifles in every household, a common practice to see people drive down the street in a pick-up truck with two or three rifles hanging on the rack at the back of the cab, especially during the hunting season in the fall of the year. In such an area, it is common practice to go into a hardware store or even a service station and buy shells for rifles and shotguns. The possession of a box of shells is considered in the same way as possession of foodstuffs or any other commodity used in the course of everyday living in a rural area as distinct from living in the city.

• (1700)

I should like to raise a question which has bothered me somewhat, whilst admitting ignorance of the fine points of constitutional law. I have wondered about the constitutional authority of the Parliament of Canada to enact legislation, which was done in the Explosives Act as far back as 1954 and which we are seeking to continue, which overrides the constitutional right of a province to exercise legislative authority over matters of commerce and trade within that province. Under the Explosives Act and the bill before us, we are seeking to make this law apply to all federal government departments, with the exception of the Department of National Defence, and I wonder about that, and to every province. It would override the right of a province under the British North America Act to engage in and legislate in the area of trade and of licences. I raise this not so much to question the necessity of establishing controls on explosives such as gelignite, dynamite and the other types of explosive powders and substances, but rather in the context of the intent of this legislation to impose those same restrictions upon the sale, purchase and possession of everyday things like .22 shells and cartridges, .306 shells, 410 shotgun shells and all the ordinary ammunition that people buy every day of the week without any criminal intent whatsoever. I raise the constitutionality of this measure in that context.

Section 3 of the act now says that the Explosives Act shall apply to Her Majesty in right of Canada, and to each province, regardless of what that province may wish in terms of its own legislation. It is true that the British North America Act gives the Parliament of Canada the right to enact legislation relating to criminal law. It may be that, having passed the Explosives Act in the first place, and by declaring in section 3 thereof that the provisions of that act override the constitutional rights of the provinces in the areas of civil rights and commerce, criminal law is established. The act set up certain requirements and certain penalties if those requirements are not met.

I wondered as well about the provision that a peace officer may arrest without warrant any person he finds offending against the act or whom he has reason to believe is likely to offend against the act. It has always been my view that the right of a police officer to arrest without warrant can lead to abuses. Balanced with that, of course, is the obvious necessity where explosives are concerned, when someone is found to be in illegal possession of explosives and is thought to be about to commit a criminal act with them, for police officers to have some powers. I only say that such wide-open authority can lead to abuses of privileges and rights in some cases by police officers when operating under the Explosives Act.

Because of the serious view taken of illegal possession of explosives for illegal purposes, illegal manufacturing of them, illegal storing of them, it would seem to me that the penalty provisions in the bill might be more realistic. I understand that upon first conviction there is a fine of $500 or three months in jail or both, and upon second and subsequent convictions there is a fine of $1,000 and/or six months in jail. If the possession of explosives is such a serious matter, and I submit that it is because people have been murdered through their illegal use as apparently was the case in Toronto recently, is the penalty provided sufficient? If that is the case, if the government looks seriously upon the possession of explosives and wants to set up a great number of restrictions, as it is rightly doing as far as one class of explosive is concerned, surely it should provide more meaningful penalties, especially when lives are at stake. It is true that murder carries with it another penalty, but none the less there is the possibility of extensive damage and injury to persons and property. I wonder at the penalties being out of balance with the serious view that the government takes of explosives themselves.

• (1710)

In our society we have precious little freedom left. Every day that goes by, the Parliament of Canada, some provincial legislature, some regional district or municipal council or some school board or other body with authority to enact bylaws impinges on the rights and freedoms of the people of this land. The activities of this multiplicity of bodies confine and restrict our freedom. Our freedom to live our own lives untrammelled and unfettered by restrictions has been taken away. We can no longer do that today. Attitudes and concepts changed over the years.

I was born and grew up for the first few years of my life in a hard rock mining community, and it was common practice for people who worked underground to bring home two or three sticks of 20 per cent dynamite powder in their lunch buckets. They saved them up. They kept them in the basement or up on a shelf. When they went out in the bush, they used the powder to blow stumps or for prospecting. We used to get C.M.&S. Company to finance prospectors so that people could stake and work mineral claims. As kids, we had pretty free access to the powder magazine. Anyone could walk in and out. We often took some powder. We never took a whole container,

because we thought that too dangerous. Nevertheless, we often took three, four or five blasting caps from the powder magazine. The magazine was unlocked. There was no lock on the door so far as I can remember, and the kids used to wander all over the place. We would walk to the rock dump, throw these blasting caps down and hear them exploding.

Mr. Francis: I hope the hon. member does not approve of this now?

Mr. Howard (Skeena): I have improved a little bit. I no longer use that type of explosive approach.

Mr. Francis: I said approve, not improve.

Mr. Howard (Skeena): I am trying to say that we showed a respectful attitude to explosives. I do not know anyone in Kimberley who was injured by blasting caps. When you grow up with explosives, you soon learn what you can and cannot do, that explosives are dangerous if improperly used, and that certain precautions must be observed. On the other hand, when you grow up in a community in which miners bring home bits of dynamite in lunch buckets, you learn to understand explosives. One learns to adopt a certain attitude to explosives, and this attitude is not learned in other places.

The attitude to explosives of those Canadians who live in metropolitan and urban areas is different from the attitude of those who live in rural areas. People living in rural areas, in farming communities, will tell you of farmers using explosives for all manner of purposes on the farm. They will tell you of farmers combining a certain type of fertilizer with diesel fuels and a detonator—I do not know what they use as a detonator; I think four of five sticks of dynamite would serve—and blasting holes in the ground for holding water. That is pretty common. You never hear of that in the city, but that is pretty common in rural areas. Also, people in the rural areas like to make their own cartridges. They make them in basements, sheds or garages. They weigh the powder carefully, pack it into cartridges and make their own shells. Under this bill, such people will be deemed to be operating a factory and will need to be licensed and controlled by the minister or whoever will make and enforce these particular regulations.

It seems to me that it is unwise to foist the concepts of city dwellers regarding explosives on country folk. Different considerations are involved as between rural and urban areas. I doubt whether those who drew the bill or any members of cabinet know anything about making homemade cartridges. The people who make their own cartridges make them for their own use. They go out hunting. They make them instead of buying cartridges by mail order from the Timothy Eaton Company, Simpsons-Sears or the hardware store in town. If the bill in its present form is passed, all that will change. All these freedoms of people in the rural areas will be impinged upon and taken away. They will be forced to obtain licenses if they want to own a gun for hunting. They need a hunting license, of course, and they will need a license with which to buy shells for the gun. Of course, the person selling the shells will also need a license. Therefore, these restrictions and confinements just do not make sense, especially to people in rural areas.

Whether these arguments will be acceptable to the minister and the department I do not know. I hope they are. I hope, when we consider the bill in committee, some of these ideas will be considered. If there are to be restrictions on explosives, let them be justifiable restrictions, yes. But for heaven sake do not expand them and make rules and regulations applying to the relatively innocent purchase of ordinary cartridges and rifles used for hunting or for self protection. I think it is unwise to restrict greatly by legislation people who simply want to live their lives as best they can and go about their innocent business without intending to hurt anybody.

Criminals, or people with criminal intent, Mr. Speaker, will find ways of circumventing the rules, no matter how strict they are. People with criminal intent will find a way to obtain explosives, just as they have in the past. They will obtain cartridges, just as they have in the past. They will obtain small arms, machine guns and all the other weaponry necessary for the carrying out of their criminal acts, just as they are now doing and as they have done in the past. Regardless of the severity of restrictions, they will still go about their way. Those of a dissenting point of view will still find ways, if they desire, of expressing their dissent or disagreement, either with explosives or any other substances, no matter how strict the rules are.

We must all be deeply concerned about the fractures in our society. There must be deep understanding and feeling, and a desire to correct matters, so that violence does not appeal to those who want to correct present circumstances that they cannot support. We ought to try to change our social ethics and establish some other form of value system in our society. We must establish different mechanisms or meaningful channels for enabling people to express their frustrations, so that someone in authority can listen to those frustrations and take corrective action. The more we oppress, the more the state seeks to legislate, control, confine, restrict and deny freedoms, the more people who are dissatisfied will find a way to rupture the existing order and break out. I am very much afraid this could easily be the case if this legislation becomes law in its present form. This is the feature the hon. member for Timiskaming (Mr. Peters) mentioned.

• (1720)

The drafting of regulations, the administration and enforcement of those regulations, which are in fact law, is done by people within the public service structure. Many of them really do not know what life is all about. Many of them do not know what it is like to live in a rural area. By starting with the ivory tower approach, and by applying the full powers of this law to the possession of a box of .22 shells, we will create more trouble for society than we can conceive at this time. I am not sure that that is the intention of the legislation or the minister. My remarks may have been critical. In a sense, they were designed to get across a point of view that I hope will be accepted by the minister. When we proceed further with the bill, these views should be reflected in the law so that it will be beneficial to the whole of society, not damaging.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I would like to associate myself to a large extent with the remarks of the hon. member for Skeena (Mr. Howard). I thought that many of his observations were accurate. One of the things that has occurred to me, and which I have observed over the years, has been the proliferation of quasi-criminal statutes which, in my opinion, could have been implemented in the Criminal Code. If this had been done, it would have resulted in a greater amount of freedom for the individual.

I agree that people in the industrial and mining environment, and in rural areas, live in a different way from those in urban areas, many of whom have had no occasion to use explosives for sporting, recreational or any other purpose. However, this is certainly not the case in large areas of Canada. Within my own experience, I have known many people who worked for the railroad. They have had in their possession railroad fusees, torpedoes and other devices which have gunpowder in them and which would probably fall under the definition of explosives. If there were an over-zealous inspector who was anxious to impress everyone with his own authority, there could be a very unsatisfactory situation.

Let us look at the definition of inspector which is found on page 2 under clause 1(3). An inspector could turn into a very officious individual if he wished to develop the full extent of his considerable powers set out in the definition. Under the present proposal, he could go into an individual's vehicle or factory. He could invade the privacy of an ordinary individual ostensibly in the process of trying to enforce this act. In my opinion, this is a real danger. I know from personal experience that when officials are given the power to act like policemen, they often abuse their discretion, just as many police officers adopt the philosophy that convictions mean promotions or advancement. I would like to see the government take a very close look at this office which is being created under the terms of Bill C-7.

In attempting to promote a very worthwhile object, that is controlling the indiscriminate use of explosives, the ultimate objective of which I presume is to curtail violence, the government may be over-reacting. As far as I know, there has not been a great number of prosecutions under the existing piece of legislation which is being amended. I cannot help but think that in many respects the government is over-reacting. If people wish to commit violent acts or protest by committing illegal acts, the possibilities are endless. Surely far more or at least as much harm could be done by the use of poisons as by explosives. We hope this will never occur, but just as gunpowder and explosive devices are very easy to obtain, the mind boggles at what revolutionaries could do with poison. Herbicides, pesticides and insecticides are poisons. Whole reservoirs could be poisoned. Very noxious poisons could be introduced into restaurants or commonly used beverages. This affords just as much opportunity to commit acts of anarchy as does the use of explosives. The only thing is this has not happened so far. We hope that it never does. To react to the point where ordinary use of explosives is hampered for those people who have good cause to use them in their every-day lives, as pointed out by the hon. member for Skeena, is certainly an over-reaction.

When one gets officials who are over-zealous, amazingly absurd things can happen. I can foresee, under the new definition of explosives in clause 1 of this bill, where some over-zealous inspector or other official can come down hard on the local Kingsmen Club's fireworks display. Children's Hallowe'en celebrations could technically be in violation of this type of statutory prohibition. This is absolutely absurd. I hope specific steps will be taken to change the definitions and some of the clauses as well. It is a strange situation when we make available remedies for expedient enforcement, and then find that those people who are enforcing them do not have either the training or common sense to discriminate between what is in fact an illegitimate or premeditated breach of the law or an inadvertant or harmless breach.

As I said a few moments ago, we find police officers who think that convictions mean promotions. This is officially denied by police inspectors and those in charge. However, I know better. I know there are very few warnings given in comparison to the number of prosecutions. That is a bad and needless practice. Someone will not have more respect for the law if he is the victim of what might be called a cheap charge. It disturbs me greatly to see an act which is made more severe on an indiscriminate basis and purports to give an inspector, as defined in clause 1(3) of this bill, the type of powers he has.

If the government does not see fit to specifically limit the powers of an inspector, I hope it will make very clear as a matter of policy that it frowns upon cheap charges. If miners, railway men or anyone else who has a legitimate excuse for having in his possession any type of material or device which technically falls under the definition of explosives, and officials proceed to take action, I hope that, as a matter of policy, the government will make very clear that this is something it does not sanction. If many of these instances occur, instead of being a cause for commendation or advancement, those persons who take advantage of their position to enforce and interpret these regulations strictly should be demoted. If that were the case the idea would get across pretty quickly that, although the people charged with enforcing the law have the means to deal expediently with genuine law breakers who menace society, if they in any way abused their powers they would either be censored or demoted, instead of, as is all too common, not being reprimanded at all for acting in this way.

• (1730)

Mr. John Gilbert (Broadview): Mr. Speaker, owing to parliamentary duties I have not been able to be here to listen to the speeches given this afternoon on Bill C-7. However, I think it is fair to say that there is certainly a difference of opinion about its contents, an honest difference of opinion as expressed by members from different parties. I should like to take this opportunity to express my opinion on the bill.

I agree in principle with the provisions of the bill. According to the explanatory note, the general purpose of these amendments to the Explosives Act is to provide for greater control over explosives, especially in those areas relating to the purchase, possession and transportation thereof. It appears there is a difference in approach taken by members who represent urban ridings compared with

those who represent rural ridings. The members in country ridings are fearful of the regulations that are to be imposed upon people in country areas who use cartridges and so on.

The hon. member for Grenville-Carleton (Mr. Blair) said that the bill appears to adopt a law and order approach, and probably it does. The problem with law and order approaches these days is that many people construe the term "law and order" as a Spiro Agnew approach whereby violence is met with violence. We have had dramatic demonstrations of this in the United States, such as the one at Kent University, and other places, where dissident groups demonstrated. Many people, more especially democratically minded people, become excited and grow fearsome of this law and order approach. I would hope that when we talk about a law and order approach we are talking of strengthening democratic institutions, of giving the people the right to dissent, but at the same time giving them the right peacefully to demonstrate in support of the ideas they hope to express. Because in the final analysis, democracy depends upon persuasion. I do not think it depends on persuasion by means of violence, otherwise we fall into the dictatorship trap. Democracy depends upon peaceful persuasion, and I would hope that we embrace that concept when we talk of law and order.

We have seen instances in Canada of disorder. A recent incident took place in Toronto during the visit of Premier Kosygin when a group of people attempted to demonstrate, not in a peaceful manner but in a violent manner. They demonstrated not only against his visit but against the things for which they thought he stood. These people are perfectly entitled to their views on what Premier Kosygin stands for, and I would be the last to deny them the right to demonstrate. But in so demonstrating, I think they must employ peaceful means. We had another example of this when Premier Kosygin visited Ottawa and was attacked by a person on Parliament Hill. This could have led to an international incident. These are the types of actions that I do not think fall within the democratic process of rightful dissent, and I think we should take steps to curtail such expressions.

In the 1970 crisis in Quebec, commonly referred to as the FLQ crisis, there was evidence that members of the FLQ had obtained explosives by means of criminal acts and other methods. This again created a fear among many people in the country that the members of the FLQ were not acting in accordance with law and order. It was felt that they would have done far better if they had used the democratic process and attempted to persuade others of the validity of their cause.

Many members who come from country ridings have had wide experience with the use of explosives, more especially guns and ammunition, but I would hope that they would see the necessity for controlling guns and ammunition. At the moment, you need a licence to obtain certain guns, and perhaps when this bill is passed and the regulations published certain steps will have to be taken before a person can obtain ammunition. I would hope that within the areas of their responsibility they would accept these restrictions in order to control violence of the kind we have in Canada today.

As a person of Irish parentage I take no comfort from what is happening in Ireland today. When I hear of the bombings and explosions which take place there, it makes me speak out for some control of explosive materials. I therefore find I must express myself in favour of the principle of this bill. The hon. member for Skeena (Mr. Howard) said he felt the day may come when there will be a change in the social values held by people and we are able to control explosives in a far better way than that prescribed in Bill C-7. I hope the day does come when we take that approach.

I am reminded of the approach taken by English policemen—or, as they call them in England, "bobbies"—to the use of guns and the carrying of guns. The hon. member for Central Nova (Mr. MacKay) said that some officers in Canada measure their hopes for success and promotion on the number of convictions they obtain, that sometimes they lay charges that are cheap in nature to obtain convictions. I wonder whether, if we took the English approach to the carrying of guns by police officers, the police officers here would adopt a totally different attitude, which would lead people in the community to do the same.

• (1740)

I think we are impressed by the violence exhibited in the country to the south of us. It may be the climate of the times which had brought about the use of so many guns and other weaponry in the United States. I hope that we in Canada will take a sensible approach to this gun problem and that in future our policemen, members of the RCMP and other forces, will not carry guns. In this way something might be done to lessen the violence which exists in our own country today. This would be in keeping with the thinking of my hon. friend from Skeena who is usually very progressive in his views. He has taken what is known as a hard line in connection with ammunition because of his experiences as a young man in a small country town. He thought if he could control the use of explosives, then surely other like-minded men and women could do the same.

Mr. Howard (Skeena): You obviously were not listening.

Mr. Gilbert: I should like to think so myself, but I do not believe the facts permit us to reach that conclusion. I would think that a large number of the violent acts which are permitted today are directly attributable to the ease with which guns and ammunition may be obtained, so I would hope steps could be taken to deal with this. My hon. friend from Skeena said criminals would find a way to obtain guns and ammunition in any case. They probably would. But I respectfully submit that we as citizens have a duty to make it difficult for them to find a way. This is why there have to be regulations concerning guns and ammunition. A social responsibility rests on members from rural ridings. If people who live there want guns and ammunition, they could follow certain procedures which are for the benefit of the community as a whole.

The definitions clause is extremely wide. I note that it embraces rockets, firecrackers and so forth. It is coincidental that the hon. member for Oshawa-Whitby (Mr. Broadbent) should have received a letter recently concerning firecrackers. Our first test will be on May 24, and

no doubt a day or two afterwards we shall read in the newspapers that young people have lost their lives, their sight or their limbs as a result of firecracker explosions and burns. Complaints and representations will be made by parents and others in all parts of the country, followed, no doubt, by undertakings that the authorities will take certain action, but no total prohibition is likely to result. The bill before us will impose some measure of control over firecrackers. The hon. member for Central Nova suggested that a group of Kiwanis might be prohibited from holding a display of firecrackers. I hope such a day will never come. We have learned from experience that firecrackers, to be safe, must be placed in the hands of responsible people. I should like to read a letter which has been received by my hon. friend from Oshawa-Whitby on this subject.

Dear Mr. Broadbent:

The members of the Duke of Edinburgh Home and School Association of Oshawa asked me to write you to ask that you support us in the following proposal: That firecrackers be banned in Canada.

We understand that the Explosives Act is now in the House of Commons for amendment. Perhaps this request is too late for this year, but we would like action started now so that by next year this problem will not exist.

We are not asking that all fireworks be banned, just the ten cents package kind that have no display value. These kind are easily attained by children and are the cause of 95 per cent of all firecracker burns.

Three provinces have banned them already. Could Ontario be next? Eventually Canada!

All fireworks are imported so it wouldn't be a hardship for any Canadian maker.

Mrs. Margaret McBurney, a Toronto mother, whose son was injured by firecrackers last year, has started this movement. She is now being supported by several other associations. The Home and School Association in this area would like to add their wholehearted support. We are in the process now of getting support from Ontario County Council of Home and School and eventually support from the province of Ontario.

We feel certain that this is a worthy cause. There are statistics available through the Ontario Safety League. We would be glad to send you further information if desired.

May we ask that you voice an opinion on our behalf when the Explosives Act is read again?

Sincerely,

Mrs. Mary Turpin, Vice-President,

Duke of Edinburgh Home and School Association

I believe the contents of this letter should be studied carefully and that action should, perhaps, be taken along the lines suggested. It would be difficult, I suppose, simply to ban firecrackers of the "ten cent package kind". We should probably need to legislate with respect to firecrackers in general and, perhaps, to adopt regulations controlling the manufacture of certain types, more especially, defining who may buy them, who may sell them and who may use them.

These are some of the approaches I should like to see taken in connection with the bill before us. I have a certain confidence that the minister who has introduced the measure will show qualities of maturity and wisdom, that he will retain the principle of the bill while accommodating some of the suggestions which have been put forward by hon. members who have spoken against the legislation.

Explosives Act

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, the purpose of the bill seems to be fairly stated in the explanatory note, namely, to ensure stricter control over the use of explosives. Presumably the need for greater control is justified on the grounds that private citizens have made increased use of explosives in order to carry out anti-social acts at the political or at the criminal level. With this concept I agree wholeheartedly. I support the principle thus outlined.

I have some few reservations, and I hope to put them on record in the time remaining to me. It can be said that Bill C-7 is designed to achieve its purpose by tightening up and extending the control presently exercised by the federal government over explosives within the area already occupied by the central administration. In addition, it appears that controls are extended into an area which, in my opinion, has been considered one which was subject to provincial legislation. A further aspect to be considered is the possibility of interference with personal liberty. Such interference can be considered upon two levels, interference at the regulatory stage and interference at the prosecution stage.

• (1750)

In this connection, as I read the act it would appear to be capable of some abuse. In respect of our regulatory control of explosives, the most important is the new power given to the governor in council to make regulations respecting the purchase and possession of explosives. With the present power over sale, these additions would give the governor in council complete power and control over explosives in the hands of the seller, the buyer and the possessor. In the old act, and extended in this legislation, there are provisions covering manufacturing, testing, storage and importation. This proposed regulatory power is matched by a proposed new offence. Clause 3 Section 5 is to be amended as follows:

Except as authorized under this Act and subject to such exemptions as may be provided by regulation, no person shall

(d) have in his possession any explosive;

Mr. Speaker: I have to interrupt the hon. member. I try to give as much leeway as possible in considering this bill, but I must remind hon. members that when they make statements in connection with the bill the rules do not permit a detailed consideration of the individual clauses of the bill. I hope the hon. member, as much as possible, will limit his contribution to the general intent, purport and principle of the bill.

Mr. McCutcheon: I thank you, Mr. Speaker, and apologize for mentioning a section of the bill. I did it merely to point out the provision that no person shall have in his possession any explosive. This in my opinion is a typical example of bureaucratic over-kill. Very few criminal offences have been caused in this country by registered firearms or properly and legally purchased explosives. So I say we should not crucify the respectable sportsman, the buff who collects guns and the people who engage in skeet and trap shooting. Many of these people load their own shells. They do so because they are able to make a more precise load at probably a third of the normal cost. I suggest that a close surveillance of explosives in the hands of construction people, and in the hands of people

engaged in mining and quarrying as well, is quite in order. I would support that. But to compare a box of .22 calibre shells with a case of dynamite or a jug of nitro-glycerine is, to say the least, ludicrous. Under this bill they are all in the same bag.

I would suggest further that if those who drafted this legislation believe that it will be an immediate panacea for the improvement of law and order in this country, I think they are engaging in wishful thinking. In my opinion nothing could be much further from the truth. In this bill I believe we are making it more difficult for our law-abiding citizens. Crooks do not obey the laws. Crooks do not use registered guns nor do they follow proper channels in order to obtain explosives. I am particularly concerned because I do not know what the regulations made under this bill will be. On my farm we have stored about 5 tons of ammonium nitrate. In another place diesel fuel is stored. According to the best information I can obtain, those are the ingredients of a very potent explosive. This legislation would appear to be an example of bureaucratic red tape. Will my men be prohibited from driving home with a truck loaded with ammonium nitrate?

In my opinion the lumping of a box of .22 calibre shells, a case of dynamite and a jug of nitro-glycerine under the same heading is completely ludicrous. I will, however, support the most stringent regulations to provide for an exact accounting of explosives and registration of fire-arms. One of my prize possessions is a muzzle-loading shotgun that my great-great grandfather brought out to this country from Ireland. I have spent considerable money on it. It is sound and safe. It has been tested. Occasionally I like to load and fire it. I would hesitate to go through all the red tape that is inherent in this bill so that I could fire my great-great grandfather's muzzle-loading shotgun. Under this bill this would be illegal unless the regulations provide some relief.

Mr. Speaker, I notice it is six o'clock.

Mr. Speaker: It being six o'clock this House stands adjourned until two o'clock tomorrow.

At six o'clock the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, March 23, 1972

The House met at 2 p.m.

[*Translation*]

PRIVILEGE

MR. MATTE—ALLEGED INACCURATE ANSWERS TO QUESTIONS ON LOCAL INITIATIVES PROGRAM

Mr. René Matte (Champlain): Mr. Speaker, my colleagues and I have repeatedly, over the past few weeks, sought clarification of the confusion related to the Local Initiatives Program.

The replies to my oral questions seem to be absolutely contradictory to facts and they mislead the House.

When questioned by the hon. member for Portneuf (Mr. Godin) on February 28 last, the parliamentary secretary stated that on February 25 there were still $4,000,000 to distribute. The Minister of Labour, on March 2, gave a vague reply to a question on the same subject posed by my colleague from Bellechasse (Mr. Lambert).

As for the Minister of Finance (Mr. Turner), he replied that he would take under advisement the questions put by the hon. member for Compton (Mr. Latulippe) and myself as to the possibility of increasing or transferring funds. Nothing further was done about that.

Nor have I been able, in spite of several questions, to determine when funds available for Quebec were used up.

Mr. Speaker, such a procedure is a direct infringement on our rights and privileges as representatives of the people.

It is inacceptable that we should be unable to give accurate information to some 700 Quebec municipalities which have been misinformed and frustrated, and all the more since the statements of the Quebec minister in charge contradict allegations of officials of the Department of Manpower and Immigration.

We therefore demand an official statement from the Prime Minister (Mr. Trudeau) or the Minister of Manpower and Immigration (Mr. Mackasey) in this connection.

Mr. Speaker: The hon. member gave notice of the matter he has just brought to the attention of the House.

The hon. member knows that, under Standing Order 17, he must advise the Chair not only of his intention to raise a question of privilege but also of the subject of the question.

To some extent, his notice may not have been in order. In any event, the matter he just brought up is more in the nature of a grievance than a question of privilege. His presentation was not followed by a motion.

Under those circumstances, I doubt that it would be in order to deal with the matter further as a question of privilege.

ROUTINE PROCEEDINGS

JUSTICE AND LEGAL AFFAIRS

First report of the Standing Committee on Justice and Legal Affairs—Mr. Gervais.

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

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[*English*]

HARBOURS

PRINCE RUPERT—INCLUSION AS NATIONAL HARBOURS BOARD PORT—STATEMENT BY MINISTER

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I wish to announce to the House that the port of Prince Rupert will become the tenth National Harbours Board port.

Some hon. Members: Hear, hear!

Mr. Jamieson: Two recommendations to the Governor in Council that will have an important bearing on the future of Prince Rupert have been accepted. One recommendation extends the limits of Prince Rupert harbour and transfers the administration, management and control of the harbour to the National Harbours Board. The other confirms the acceptance by Canada of the transfer by the province of British Columbia of the administration, control and benefit of certain Crown lands at Prince Rupert for the purpose of operating a national harbour.

• (1410)

I am looking forward to inviting representatives of the community to serve as members of the Port of Prince Rupert Authority, which will be created at the earliest possible opportunity.

I will also ask the National Harbours Board to invite proposals that will lead to the establishment of a major modern grain transshipment facility at Prince Rupert. This is in anticipation of a larger proportion of grain shipments to China and Russia and the Pacific rim countries being directed over the northern route, thus relieving congestion in the Fraser River canyon and elsewhere.

The National Harbours Board will also undertake studies related to its own possible involvement in such facilities. I want to emphasize that the federal government is seeking to further the development of the port of Prince Rupert in conjunction with the development of other ports, such as the port of Vancouver. The objective is to provide both greater capacity and greater flexibility, and to improve access to the Pacific.

Prince Rupert Harbour

The National Harbours Board will continue to support and pursue other initiatives that anticipate the development of bulk handling and general cargo facilities in the port of Prince Rupert. Provision has been made in the board's 1972-73 estimates for a $5 million expenditure at this port.

I think the House will also be interested in knowing that the National Harbours Board has opened a business office in Winnipeg to serve western Canadian requirements. The growth in grain, bulk commodity and general cargo movements is such that full co-ordination of transportation and transshipment facilities is essential. It is anticipated that the new office will contribute to the establishing of more efficient traffic flows through the ports of Vancouver, Prince Rupert, Churchill and Thunder Bay.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, we on this side of the House welcome this announcement, but we wonder why it has taken so long—

Some hon. Members: Oh, oh!

Mr. Horner: —to recognize Prince Rupert. We are fully aware that the Prime Minister made a trip to the Pacific rim countries some years ago and more or less suggested that trade should pick up with that area. Prince Rupert is far closer to Japan and China than is Vancouver and therefore it is the natural port from which to ship to those countries.

We will reserve our final judgment on the government and the expenditure until we see how the government goes about it. A few years ago funds were allotted to the department for the development of the port of Vancouver under the National Harbours Board, but the board did not use all of the allotted moneys for that port. Whether the $5 million for Prince Rupert will be spent in the right manner is hard to determine at this time. There are only two wharves at Prince Rupert, only one of which handles grain. Also, there is the so-called surge problem at the port. We hope that some money will be allocated to correct this problem, and we certainly hope that the grain handling facilities will be enlarged.

The minister suggests that bulk handling and general cargo facilities should be improved. We certainly agree they should be because ships must be able to come into Prince Rupert with a cargo and also leave the port with a cargo. Part of the difficulty has been in getting ships with cargoes to come to Prince Rupert. Access by rail to Edmonton and the northern parts of the prairie region is far shorter from Prince Rupert and therefore we have always looked upon Prince Rupert as a valuable port which should be developed.

We welcome this initial step by the government and we will watch the expenditures carefully to make certain that this port proves to be the tremendous asset it could be, particularly to the grain economy in the northern parts of the Prairies as well as the whole prairie region.

Mr. Frank Howard (Skeena): Mr. Speaker, I will refrain from mentioning the difficulties which we had in trying to get the grain storage facilities at Prince Rupert doubled between 1958 and 1962.

[Mr. Jamieson.]

Some hon. Members: Oh, oh!

Mr. Howard (Skeena): We have been awaiting this announcement not just for months, as might appear to be the case, but ever since 1919 when the late Mackenzie King visited Prince Rupert and made these commitments. Seriously, Mr. Speaker, this matter has been in the minds of everybody in Prince Rupert and the surrounding area for a long period of time, and certainly this is a welcome announcement on the part of the minister. We look forward to the establishment of the port authority itself, the involvement of the National Harbours Board, and the development of the port for obvious reasons that are clear to everyone, namely, shipments in and out of the port of Prince Rupert, particularly of grain, thus helping to relieve the pressure on other ports and other parts of the country.

Up until now Mr. Bill Raithie, a member for the National Harbours Board, has acted as liaison between the federal government and the provincial government with respect to the transfer of land. I would hope, with all respect to Mr. Raithie, that he would have a minimum of involvement in whatever happens in the city of Prince Rupert from the National Harbours Board point of view. He is chairman of the Vancouver Port Authority, and I believe that his interests are mainly directed there and that he should not have too much involvement with Prince Rupert for that reason.

In the establishment of the Port of Prince Rupert authority I hope the minister would go beyond the boundaries of the city and include persons from the organized community of Port Edward.

I do not know what the minister means by a major, modern grain transshipment facility at Prince Rupert. At the present time there is a storage capacity there of 2¼ million bushels, or a little less. I would suggest that he, the National Harbours Board, or whoever is going to do this work, should be thinking at least in terms of a storage capacity of 10 million bushels and the installation of a tipple system so that boxcars can move in loaded with clearn grain and be unloaded rapidly with a minimum of difficulty, thus making maximum use of the port.

This will also mean, I hope, increased use of the Canadian National facilities running in and out of the port of Prince Rupert. If that is the case—in fact, even without increased use of Canadian National facilities—I think that Canadian National, in conjunction with the province of British Columbia if they can work out an agreement or by itself if they cannot, should move into the installation of snowsheds along the lower reaches of the Skeena River. At this time of year and earlier in the winter there are periods of a week, ten days and sometimes up to two weeks when there is no rail movement in and out of that area because of snow slides. Snowsheds would help to alleviate that problem.

I would not like to see this port when it is developed, used simply as an exit port for raw materials or nearly raw materials. The more we continue to export raw materials out of the nation the more we export jobs with them and the more we provide jobs to people in manufacturing industries in other countries. I would rather see us expand our own manufacturing industries, process raw

materials into useable goods, and export useable goods rather then export our natural wealth in the form of raw materials.

I am sure the people of Prince Rupert would endorse the concepts I am now expressing and would want me to express their appreciation to the minister for his announcement. We look forward to further action in the future.

* * *

NATIONAL DEFENCE

ANNOUNCEMENT OF RETENTION OF CANADIAN FORCES BASE AT SUMMERSIDE IN PRESENT ROLE

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it seems to be my day for making announcements. Hon. members will recall that in 1969 it was announced by the government that the Canadian Forces Base at Summerside, Prince Edward Island, was having its life extended as a military base to the end of 1973 in order to provide time during which it might be determined whether alternative uses could be found for the base. This effort has been going on for quite some time, and I think it is generally known that it has not been possible to obtain enough in the way of alternative uses to take the place of the base. So, as one who worked on that committee, and on behalf of my colleague, the Minister of National Defence (Mr. Benson), I wish to inform the House that Canadian Forces Base Summerside, Prince Edward Island, will continue in its present operational role.

• (1420)

It will be recalled that Canadian Forces Base Summerside was one of several defence bases that were recommended for closure under an armed forces base consolidation plan that was worked out some years ago. In December, 1969, an extension of its operation was granted until April of this year to permit a study of the economic impact that closure would have on the local community and the province. A thorough investigation of the alternatives has clearly demonstrated that the base should be confirmed in its present role.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, the announcement made by the Minister of Transport (Mr. Jamieson) on behalf of his colleague the Minister of National Defence (Mr. Benson) is most welcome. I especially appreciate it as the base to which he refers is in my constituency. I am delighted that this decision has been made not only because of the high operational quality that has been maintained there from a defence point of view, the high morale that has existed and the higher than average level of competency that has been demonstrated by the personnel but because, and in some ways more important, this base is a very important economic factor in the life of Prince Edward Island and in the future of the town of Summerside. On all these scores the announcement is indeed very welcome not only for its own value but also because it removes the doubt which clouded the economic future of that area since the suggestion was first made that the base might not continue.

Opportunities for Youth Program

In closing and on a point of privilege, Mr. Speaker, may I be permitted to say that I am delighted that the Premier of Prince Edward Island is in Your Honour's gallery at the moment to hear this important announcement directly.

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[*Translation*]

YOUTH

STATEMENT BY SECRETARY OF STATE ON 1972 OPPORTUNITIES FOR YOUTH PROGRAM

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I would like to give a progress report to the House on the response of young people to this year's Opportunities for Youth program.

On January 13, I announced that the budget for the 1972 program was $33,978,000 and that this money would fund jobs and activities for about 29,000 young men and women. Another 1,860 non-paying activities will also be created by the program. At the same time, I advised that the deadline for project applications was midnight, March 8. In other words, Mr. Speaker, applicants had almost two months to prepare their submissions. They were advised and helped in filling their application forms by 75 program field officers who were deployed across the country meeting young people at high schools, on college and university campuses, and conferring with municipal authorities and representatives of various public organizations.

Program officers and officials of the department assured that there was an adequate supply of application forms. Some 200,000 English and 100,000 French forms were available from various government outlets and from program workers. The program was extensively promoted in the print and broadcasting media.

As we anticipated, the younger generation's interest in the program has remained at a high level. Once again, they have shown their resourcefulness by the quality and variety of their proposals.

Canadian youth in all parts of the country submitted some 19,102 projects to the Opportunities for Youth Program head-quarters here in Ottawa. These applications are now being coded and processed. The spread of projects by region is as follows: Atlantic provinces, 3,189 or 17 per cent; Quebec, 6,688 or 35 per cent; Ontario, 4,046 or 21 per cent; Prairie provinces, 2,912 or 15 per cent; British Columbia, 2,104 or 11 per cent, and national, 173 or roughly one per cent. Project proposals average $11,949 each and would include an average of 10 participants. This is close to what program planners consider the ideal project size which should cost between $10,000 and $15,000 and employ between eight and 12 people.

In my January 13 press conference I said that we hoped to be able to put more stress on assisting students from disadvantaged environments. I think that with the very strong response we have received from the Atlantic provinces, Quebec and the rural sections of the Prairie provinces—60 per cent of the prairie applications came from rural areas—with this kind of response, I repeat, it should

be easier to meet the objective of putting funds where they are needed most.

A special effort was also made this year to enhance the participation of women in projects. To date, 40 per cent of jobs proposed have been for women. Present analysis also indicates that 30 per cent of would-be participants are secondary or high school students, 63 per cent are post-secondary and seven per cent are non-students.

[*English*]

The largest groups of proposed projects involve recreational activities, 25 per cent, and social services, 20 per cent. Other estimates of projects are cultural, 16 per cent; environmental, 14 per cent; research, 11 per cent; information, 11 per cent, and miscellaneous, 2 per cent.

We are of course pleased by the strong response that the program has received in its second year. This response shows that the government was right when it decided to increase the program's budget by about $10 million this year. These additional resources should allow us to fund about 3,000 projects and participants should, on the whole, earn somewhat more than they received on the average last year. In other words, we foresee an average allocation of about $1,100 this year per participant compared with $900 last year. Unfortunately, many worthwhile projects will be rejected. But it was never intended that this program should be a total answer to summer employment for students. As in the past, a very large proportion of employment will be supplied by the private sector of the economy. And of course Opportunities for Youth is not the only federal program designed to promote useful summer activities and employment. In addition to our own department's efforts to support about 100 hostels across the country and other programs to promote travel and exchanges of young people, special efforts are being made by the Public Service Commission, the Department of National Defence, the Department of National Health and Welfare and the Department of Manpower to encourage student activities and employment under the general heading of Summer '72 programs. The over-all expenditure for the Summer '72 effort will be in the order of $85 million.

I would like now to say a word about the schedule for processing the applications received by the Opportunities for Youth program administration. All provincial governments have been consulted on their regional priorities and their views will be taken into account during the selection process. Officers of the department for which I am responsible and a staff of over 230 at the program's headquarters will participate in the selection. Processing will be computerized and selection will be based on such factors as conformity to the program's criteria, the numbers of jobs per project, the employment needs of participants and the ratio between male and female participants, geographical distribution, recommendations from people in the community, specialist consultants, provincial priorities and the budgets allocated by region and sub-region.

It is expected that public announcements of accepted projects will be made from April 17 to 27. Each group of participants will be advised by letter of the approval of their projects. Throughout the summer, 100 field officers will be posted in the various regions to provide support for the project workers, maintain contact with other community groups and offer resource assistance to projects.

I would ask applicants to bear with us while each submission is studied. We are aware that young people are anxious to know the results. First decisions should be announced by April 17. Groups are requested not to expect answers before that date.

• (1430)

Mr. David MacDonald (Egmont): Mr. Speaker, we are grateful for the minister's statement, particularly with regard to the progress report on this year's Opportunities for Youth program. There is no doubt that the Opportunities for Youth program both last year and this year is enjoying tremendous popularity with the young people of this country.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): The obvious rate of submissions, close to 20,000, is indication enough of the popularity of the program. It also indicates, and this was not mentioned in the minister's statement, the tremendous need of young people for employment this year.

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): I find it passing strange that the minister would even dare comment on the employment possibilities of Opportunities for Youth without at once acknowledging the tremendous need and growing gap in terms of jobs for students and other young people during this present year. The minister talked about the possibility of employment this summer for approximately 30,000 young people under Opportunities for Youth; yet we know the summer labour force is going to increase by some 100,000 this year to a total of approximately 1,300,000. I see no acknowledgement in the minister's statement in this regard.

While I think all hon. members and many Canadians will rejoice in the opportunities that young people will have to develop their talents and skills creatively under Opportunities for Youth, we must not let this divert us from a basic concern about the need for employment by young people during this present year. We know only too well that during the past two years the rate of unemployment for those in the 14 to 24 age group has been running at more than twice the national level. This is simply not an acceptable figure for a modern country like Canada. Just the other day, a York University sociologist said:

> Inadequate federal economic policy theories have given Canada the highest rate of youth unemployment in the industrialized western world—

That sociologist is not a particular friend of members on this side of the House. He was the chairman of the government's own committee on youth, Mr. David Hunter. It is well past time that this government acknowledged, if its total answer to the swelling ranks of unemployed youth is one program or a series of travelling opportunities, that this is not sufficient to meet the needs of this country. We ask, what answers and what action is the government prepared to put forward?

In his statement the minister was limited to saying: "Unfortunately many worth-while projects will be rejected. But it was never intended that this program should be a total answer to summer employment for students." That understatement is the masterpiece of the minister's career because it acknowledges the almost total failure of this government to realize what its basic responsibilities are with regard to youth and their importance to this country.

It is near the end of March and we are talking about a progress report on this year's Opportunities for Youth program. We were told last fall we would have a thoroughgoing evaluation of last summer's activities which would give us some clear idea as to the strategy and goals for this year's program. Where is that report? We got a gloss of it in December. We were again told in December that we would have the report shortly. We have been left to read in the usual fashion what the government is up to, through leaked reports in the daily press which tell us that the goals of meeting the youth unemployment crisis are being failed by this government.

There is a complete lack of recognition and co-ordination. Only yesterday afternoon I sought the unanimous consent of the House to move a motion in these terms:

> That the Secretary of State immediately consult with business and industry in order to develop a concerted approach to the imminent crisis in youth unemployment.

Unfortunately, some hon. members saw fit not to consent.

We have heard that somewhere in the minister's vast department some industrial referral centre is trying to deal with the five out of six projects that will not be accepted under the Opportunities for Youth; yet we have heard no specific mention or acknowledgement of this program. Basically, we are getting non-answers from an overworked minister with regard to the youth unemployment crisis. It seems to me at least that this minister is just not capable any longer of handling this tremendously important problem. It is time the government acknowledged that it has a basic responsibility to co-ordinate not only its own activities, but to suggest and allow for co-ordination of activities in other levels of government and in the private sector.

In the statement today we were not even told about the subjective parts of the selection process. Will there be any kind of negotiation as there was last year with regard to project submissions? What will be the criteria in subjective selection of projects? Will the final answer be that five out of six project groups will receive a form letter, as was the case last year, with reasons that are not clear as to why their project is not acceptable? That kind of answer is unacceptable to the members of this House and the people of this country.

Mr. Doug Rowland (Selkirk): Mr. Speaker, all of us on this side of the House are getting tired of the government periodically and triumphantly trotting out temporary measures to deal with our now chronic problem of massive unemployment in this country. Opportunities for Youth, while it contains the germ of a good idea, that of providing young people with opportunities to conceive, plan and execute projects which they believe are interesting, challenging and socially worth while, is in the end simply another patch like the Local Initiatives Program on a system based on a dying, decaying economic philosophy.

These programs do not go even a small part of the way toward meeting the real needs of this country and its people, young or old. This country needs a government dedicated to the creation of full employment. Only full employment will provide real opportunities for youth, real opportunities for young adults, real opportunities for the middle-aged, real opportunities for the elderly, and avoid programs which are essentially government subsidies to an already, for the most part, privileged group. Opportunities for Youth is essentially a middle-class program for middle-class youth, an attempt to buy off an extremely able, highly articulate segment of our society who know, when discontented, how to apply pressure so it hurts.

Some hon. Members: Hear, hear!

Mr. Rowland: It is this group that the government is attempting to buy off with Opportunities for Youth; it is attempting to buy them off and divert their attention from correcting the real social ills to which they would otherwise be devoting their attention.

I am fed up to the back teeth with middle-class programs for middle-class kids when there are no corresponding programs for the other 85 per cent of the population. Leaving aside other age groups, what does this program do for the 75 per cent of the young people who are not in universities or community colleges?

Where did the minister say his 75 field workers spent their time? Was it among the 70 per cent of the young people who might have some difficulty in setting down their ideas for worth-while projects in a manner which would impress someone sitting behind a desk in Ottawa evaluating those submissions? No. The minister told us with evident pride that the field workers spent their time "meeting young people at high schools, on college and university campuses and conferring with municipal officials and representatives of various public organizations".

I ask hon. members, are these the people who need assistance in making preparations? They are already where they are because they have demonstrated some facility in communication. When is this government going to do something really meaningful to assist the disadvantaged in this country? I have given up hope.

The ultimate perversion is that some former employees of the Opportunities for Youth program of last year set themselves up in business writing submissions for people who wish to apply this year. As one former employee of Opportunities for Youth said:

> We are producing a generation of professional grants-men, kids from universities with long training in how to deal with this era of public grant giving.

I have nothing at all against doing something for college and university students—far from it—but not to the exclusion of everyone else and not with a program which does not even meet the needs of that group of society. Last year I was willing to put up with mistakes in the conception and execution of Opportunities for Youth because it was a new program, all too rapidly thrown together. This year I am not, not after a year's experience and certainly not

after the promised evaluations of last year's program turned out to be cooked information and the independent evaluation has either been stolen or lost. If I sound churlish, Mr. Speaker, it is because I am disappointed, and I make no bones about it.

• (1440)

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, I thank the Secertary of State (Mr. Pelletier) for being kind enough to forward a copy of his statement to us.

As he indicated, the record number of 19,000 projects submitted by student groups is proof enough that young Canadians are interested in participating in Canadian community life.

On many occasions in this House, I emphasized this wish for participation on the part of our young people, who are receptive and ready to contribute their full share to the Canadian community.

The Opportunities for Youth program will certainly be helpful to a great number of them. The only hitch is that it will be impossible to accept all the projects submitted.

I hope that the group in charge of assessing and examining the projects will be objective in the selection, so that last year's errors are not repeated.

During the past few weeks, I have had a look at some of the projects submitted from my constituency. I am quite impressed with their originality and seriousness of design. This is why I should be disappointed if some serious projects were rejected. The project screening group has an important task to perform and I hope that it will approach it very earnestly.

I thank the minister for submitting this first report to the House and I invite him once more to keep us informed in this respect.

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MANPOWER

QUEBEC MUNICIPAL PROJECTS UNDER LOCAL INITIATIVES PROGRAM— REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to take this opportunity to raise an urgent matter of national interest, under Standing Order 43.

When raising a question of privilege a moment ago, my colleague for Champlain (Mr. Matte) has pointed out an important problem about which Canadians have been misled, especially Quebeckers, with regard to 700 municipalities. As for the Local Initiatives Program, the problems should be solved.

I therefore move, seconded by the hon. member for Champlain (Mr. Matte):

That the minister responsible for the administration of the Local Initiatives Program make a statement on motions to explain to the House the conflicting statements made by federal and provincial representatives about allegedly approved projects and the sum of $5 million which is supposed to be earmarked for that program, in order to elucidate the matter thoroughly.

[Mr. Rowland.]

Mr. Speaker: The House has heard the motion moved by the hon. member for Lotbinière (Mr. Fortin) under Standing Order 43 which requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent, therefore the motion cannot be put.

[*English*]

On the order: Introduction of bills.

Mr. Speaker: Introduction of bills.

Mr. Knowles (Winnipeg North Centre): Stand.

Mr. Speaker: I have to refer at this point to the ten bills which were mentioned yesterday and the day before. The Chair indicated then that there was agreement that these bills be stood until tomorrow for consideration from a procedural standpoint.

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CANADA ELECTIONS ACT

AMENDMENT TO REMOVE DEFINITION OF "POLITICAL PARTY" FOR PURPOSES OF REPRESENTATION IN HOUSE OF COMMONS

Hon. Paul Hellyer (Trinity) moved for leave to introduce Bill C-174, to amend the Canada Elections Act.

Some hon. Members: Explain.

Mr. Hellyer: Mr. Speaker, this bill is designed to facilitate competition in the light of the existing monopolistic position enjoyed by the old parties. It should encourage freedom of choice and fresh ideas in the democratic process.

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

ORAL QUESTION PERIOD

TRADE

AUTO PARTS—REPORTED U.S. DIRECTIVE TO ENFORCE REGULATIONS ON SHIPMENTS WITH SEVERITY

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. It concerns his ever-popular Texas friend, "Two-gun" Connolly. Yesterday I addressed this question to the Prime Minister but he did not know the answer. Perhaps the Minister of Industry, Trade and Commerce will today. Has the government looked into the suggestion that the United States Secretary of the Treasury has issued a

directive to customs officials telling them to enforce regulations with considerable severity in connection with auto parts shipments? If so, can the minister inform the House whether this has happened?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I said yesterday in the committee on my estimates, and I repeat it today, even more emphatically because the department has had occasion to check further, that there is no appearance of United States customs officers concentrating their attention, or an unwillingness to be friendly, on the Canadian auto parts exporters. The tightening up of customs implementation in the United States is not recent; it goes back at least two years. It is not concentrated on Canada. It is widely applied to all countries of the world. It is not concentrated on the automobile sector and, within that sector, it is not concentrated upon automobile parts. In other words, it is general. It applies to all countries and sectors and not to Canadian auto parts makers in particular.

Mr. Nesbitt: Has the minister made any specific representations to the United States government concerning this matter? Also, since I have an uneasy feeling that the minister has not exactly answered my original question, may I ask him to tell us what steps he has taken to ascertain that there has been no singling out of the auto parts industry in this regard?

Mr. Pepin: I thought I was emphatic enough. We gathered all the information we could get from all sources. We consulted with a number of people and the result of our inquiry is the one I have indicated. It is very difficult to ask somebody to go to confession unless it can be demonstrated that he has sinned.

Some hon. Members: Oh, oh!

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MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBLE INCREASE IN FUNDS—FURTHER PROGRAM AFTER MAY 31

Mr. David Lewis (York South): Mr. Speaker, I should like to direct a question to the Acting Minister of Manpower and Immigration with regard to LIP. The question arises out of reports suggesting that the provision of half a billion dollars more is contemplated for this manpower program. I want to ask the minister whether the government is considering increasing expenditures under this manpower program by half a billion dollars and also whether the House will be given an evaluation of LIP in the next day or two explaining what has been happening with regard to it?

• (1450)

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, consideration is always being given to the manpower programs but not in the terms that have been expressed to us by the hon. member.

With respect to the second part of the question, we do hope to publish quite soon, hopefully before the end of this month, a list of all projects, numbers employed and the funding of each project. This could form the basis for the beginning of an evaluation by hon. members themselves.

Mr. Lewis: In view of the announcement made earlier with regard to another program, may I ask the acting minister whether thought is being given to announcing a program beyond May 31 to deal with the unemployment of those people who are not now or do not admit to being young? Is any plan being worked out to continue a worthwhile program beyond May 31 in view of the fact that unemployment will not be reduced to adequate levels—no one suggests it will—within the next two or three months?

Mr. O'Connell: Mr. Speaker, I cannot answer in language precise enough to satisfy the hon. member opposite, but I can say that the employment picture following May 31 is very much the government's preoccupation. Certainly we know of plans for student employment and we do expect that in the period beginning last month and extending into June well over 700,000 new jobs will be created by the economy's own expansion. We are watching very carefully the phasing out of the special employment programs in relation to the total economic picture. We have the matter very much under consideration, though perhaps not in the precise manner referred to by the hon. gentleman. He will have to wait till later for a better answer.

Mr. Lewis: Mr. Speaker, the point of my question—and I say this only to make my supplementary clear—was whether an announcement would be made in time. May I therefore ask the minister whether I am to understand that this consideration is a continuous exercise and that we may expect an announcement of a plan long before May 31 so that the necessary preparations, arrangements and consultations can take place?

Mr. O'Connell: Mr. Speaker, I do want to assure the hon. member that if there is such a plan I am sure we will make every effort to announce it sufficiently in advance of its implementation to enable everyone to get into position.

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PENITENTIARIES

SUGGESTED PLACING OF INMATES IN HOMES OF OLDER PEOPLE FOR PURPOSE OF REHABILITATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Solicitor General who, in the city of Edmonton within the past two days, made an announcement concerning a plan of his department, under the head of rehabilitation of prisoners in penitentiaries, to place them in the homes of older people across Canada. In consequence of that announcement, which should have been made in the House rather than outside, consternation has come into the hearts of many of our old people.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: My hon. friends may laugh, but I have learned not only from the radio but from personal conversations with people in my office that people are asking whether or not this policy is a form of restoration of impressment. What is the nature of this plan which to many seems like a crackpot one? Would the minister please explain?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, this was only a project I mentioned, and which has not been finalized yet. This project is on a completely voluntary basis on either side, which means we want to meet two basic needs: first, the fact that retired people are often idle, although they are prepared to serve their community; second the fact that they often need extra income.

On the other hand, prisoners who are not a serious threat to society could stay in the homes of those retired people and find there, maybe for the first time in their lives, a warm, friendly, and productive atmosphere. It is, therefore, on a purely voluntary basis on either side that this program could be implemented, and I only made those remarks in Edmonton in order to suggest this idea.

Now, if the right hon. member does not like my making an announcement—

Mr. Speaker: Order, please.

[*English*]

Mr. Diefenbaker: Mr. Speaker, the minister has not answered why he contemptuously disregarded the House in not making his announcement here. Second, I want to ask him whether he has not had protests made to his office today from hospitals in this city to the effect that our old people are very deeply disturbed by this? Has he not had any such word?

[*Translation*]

Mr. Goyer: Mr. Speaker, my words must have been misinterpreted, and I know that some people thought that they would lose their pensions if they did not welcome a prisoner into their homes. This is completely wrong, of course, as the right hon. member must be aware.

As for an announcement in this House as to whether the program has been finalized, it will certainly be made. I simply wanted to exchange a few ideas with the people in western Canada, who seemed to me to be very receptive to such ideas.

[*English*]

Mr. Diefenbaker: Mr. Speaker, I observe that the making of the announcement outside the House is applauded by the Minister of Industry, Trade and Commerce. The explanation given by the minister is worthless. I ask him now to answer the question I asked him a moment ago. Has he not received complaints about the number of elderly people who have found themselves in the emergency departments of hospitals in this city in consequence of his statement made outside the House, a statement which for egregious nonsense has never been exceeded?

[*Translation*]

Mr. Goyer: Mr. Speaker, I have no knowledge of this. But I fail to see why this would worry people sick, or why the right hon. member would worry himself sick over this idea.

[*English*]

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a supplementary question for the Solicitor General in connection with the plan to station prisoners in the homes of elderly people. Will consideration be given to maintaining the diet of prisoners while they are stationed in the homes of pensioners, or is the government considering increasing the incomes of pensioners in order to enable them to eat as well as the prisoners?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We will try another subject.

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THE CANADIAN ECONOMY

FOREIGN INVESTMENT—ANNOUNCEMENT OF POLICY PRIOR TO PRESIDENT NIXON'S VISIT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Acting Prime Minister. Is it the intention of the government to announce its policy on foreign investment in Canada before the arrival of President Nixon on April 13 so that the policy can be explained to and discussed with him during his visit here, especially in view of the fact that the rewriting of the background study has now been completed and the need for completing this task was cited by the government as the reason for holding up the announcement of its policy?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not know whether a statement can be made before the President arrives but I can assure the House that the presence of the President in Canada will be really quite irrelevant to the decision by Canada on its policy.

Mr. Hees: In view of the uncertainty on the government's part, is it the intention of the Prime Minister to have Mr. Nixon announce this policy while he is here as the latest episode in his exciting series of fantastic breakthroughs?

Mr. Speaker: Order, please. The question as asked is irregular.

* * *

POWER

JAMES BAY HYDROELECTRIC DEVELOPMENT—ACTION TO SETTLE INDIAN AND ENVIRONMENTAL PROBLEMS

Mr. Raymond Rock (Lachine): Mr. Speaker, my question was for the Minister of Indian Affairs and Northern Development but in his absence I will direct it to the acting minister. Can the minister tell the House what action the government is taking to settle more rapidly the Indian question and the environmental problems in the

James Bay area in order that the province can proceed as quickly as possible with the hydro development and create jobs?

• (1500)

Mr. Allan B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the Indians in the James Bay area are negotiating for themselves with the provincial government, and until they request the assistance of the Department of Indian Affairs we will allow them to carry on their own negotiations.

JAMES BAY HYDROELECTRIC DEVELOPMENT—FEDERAL POSITION ON REPRESENTATIONS OF ESKIMOS TO QUEBEC GOVERNMENT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary for the parliamentary secretary. Has the government agreed to the request of the Northern Quebec Eskimo Association to assist them to make formal presentations in discussions with the government of Quebec on the James Bay project? If so, has the government discussed this with the Quebec government?

Mr. Allan B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, representatives of the Northern Quebec Eskimos met the minister yesterday and he is considering their representations.

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EXTERNAL AFFAIRS

BANGLA DESH—SUGGESTED SENDING OF CANADIAN DOCTORS TO PERFORM ABORTIONS ON RAPED WOMEN—FINANCIAL ASSISTANCE

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the urgent call for help from an United States doctor who is performing abortions on Bangla Desh women raped by Pakistani soldiers, and since time is running out for these 20,000 women who are casualties of the war in a very real and grim sense in that they are dishonoured and cannot return home, will the Canadian government make known to the government of Bangla Desh its willingness to send Canadian doctors who offer their services, at least one of whom has already done so?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. lady for her suggestion. Mr. Gérin-Lajoie is either in Dacca today or will be there shortly and I will pass along her suggestion to him.

Mrs. MacInnis: Will the government give consideration to making known to the Canadian Medical Association an offer of financial assistance to doctors willing to give such immediate aid to Bangla Desh.

Mr. Sharp: I will take that suggestion under consideration.

Inquiries of the Ministry

HOUSING

LOW-INCOME UNITS—NEED FOR INCREASED SAFETY AND SANITATION STANDARDS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. It arises out of a recent tragedy in a low-income housing unit. Will steps be taken by the government to upgrade safety and sanitation standards in low-income housing and will departmental studies on these topics be made available to interested members?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, any houses built with Central Mortgage and Housing Corporation financing or assistance must meet the standards for construction, safety and otherwise set by the corporation. Those are constantly under review with the National Research Council to try to ensure they are as adequate as possible.

REQUEST FOR IMPROVED ACCOMMODATION FOR MÉTIS—GOVERNMENT ACTION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary. In view of the very shocking exposé which appeared in the last two issues of the *Globe and Mail* regarding the Métis people in Canada and the shocking conditions in which they live, particularly in respect of housing, is the minister aware of this and can he advise the House of any immediate plan he has in order to alleviate this very intolerable situation?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, a meeting was held with senior officials of the association by my parliamentary secretary some weeks ago at which a very substantial grant was made to a number of Métis groups for the purpose of improving existing housing. A number of grants have been made to assist them in training officers to apply for and promote housing projects among the Métis people. I could go on. It is a matter of very lively concern within Central Mortgage and Housing Corporation and within my ministry.

Mr. Alexander: I understand there has been an application for a grant of some $18 million, if I am not mistaken, for housing. Is this one of the areas in which the minister has given approval and, if not, can we expect immediate approval of this application as requested by the Metis people?

Mr. Basford: I would have to examine the article to which the hon. member refers, which I have not read.

MOBILE HOMES—AVAILABILITY OF FINANCING BY CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, could the minister inform the House if Central Mortgage and Housing Corporation is considering making financing available to mobile homes?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, they already meet certain lending require-

ments of the corporation where they comply with existing regulations.

POSITION OF ACCELERATED PROGRAM FOR LOANS

Mr. John Gilbert (Broadview): Mr. Speaker, would the minister inform the House whether the program of accelerating loans by CMHC that was announced on October 14 by the Minister of Finance has been carried out to the full extent of the amount of $113 million which was allocated and, if not, why not?

Hon. Ron Basford (Minister of State for Urban Affairs): It has been accelerated to the degree that we had applicants to accelerate it.

* * *

[*Translation*]

CRIMINAL CODE

STUDY RESPECTING RE-ESTABLISHMENT OF CAPITAL PUNISHMENT

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to direct a question to the hon. Minister of Justice.

In view of the statement made by his predecessor that the government is now reviewing the advisability of maintaining capital punishment, would the hon. minister say whether this review is now completed and whether he intends to make an announcement to the House in the near future?

[*English*]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the matter is continuing to be studied. It is the expectation that the legislation will be introduced before the end of 1972.

* * *

[*Translation*]

INDUSTRY

SHOES—STUDY RELATING TO COMPANIES THAT HAVE CEASED OPERATIONS

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I would like to direct a question to the Minister of Industry, Trade and Commerce.

Does the minister intend to table in the House a study showing the number of shoe factories that have closed down in the last ten years because of massive imports of footwear, and in this case what amounts have Canadians been able to save every year?

Mr. Speaker: The minister will probably be able to reply to the first question. As to the second question it is of a statistical nature and consequently, the minister would be unable to reply for the time being.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker, I do not intend to elaborate on past events. I suppose that the economy has benefited from the closing of some of these plants and that the contrary happened in other cases. At any rate, we intend to contribute as much as possible, in co-operation, particularly with the governments of Quebec and Ontario, and to see that the footwear industry in general becomes more productive and efficient and better adapted to our domestic and foreign markets. To this end, a whole series of measures are being taken of which I will inform the hon. member at the first opportunity.

Mr. Ricard: Mr. Speaker, a supplementary.

Does the minister believe that it is necessary to close down additional industries for the situation to become more viable?

* * *

[*English*]

INCOME TAX

POSSIBLE EXTENSION OF DEADLINE FOR FILING RETURNS

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, my question was intended for the Minister of National Revenue. In his absence I will direct it to the Minister of Finance. In view of the fact that this year April 30 will fall on a Sunday, is it the intention of the government to extend the deadline for filing income tax returns to midnight, May 1?

Hon. John N. Turner (Minister of Finance): I think I had better get my colleague to answer that question, Mr. Speaker.

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EXTERNAL AFFAIRS

NORTHERN IRELAND—POSSIBLE ASSISTANCE BY CANADA IN SETTLING DISPUTE

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the continuing and increasing violence in Northern Ireland, would the Canadian government consider holding discussions with the British and Irish governments to explore possible areas in which Canada might be helpful in settling this serious dispute or in providing some other type of assistance?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. member knows, we did have the foreign minister of Ireland here in Canada at which time we received representations from him. We have had consultations with the British government, but I do not think it would be wise, unless we are asked to do so by the governments concerned to interfere in this very serious problem.

PUBLIC SERVICE

SCREENING OUT OF UNILINGUAL EMPLOYEE FROM COMPETITION AFTER REFUSAL OF LANGUAGE TRAINING

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Communications. Can the minister explain why a certain employee, grade EL-5, was screened out of a competition because he was not bilingual after having been refused language training on four separate occasions on the ground that it would not be necessary for advancement?

Mr. Speaker: Order, please. I suggest to the hon. member that this question, referring to an individual case, normally should be placed on the order paper. If there is urgency, the hon. member knows it can always be considered at the time of adjournment.

• (1510)

Mr. Alkenbrack: I rise on a point of order, Mr. Speaker. Did I hear voices from the other side asking me to name this person?

Mr. Speaker: Order, please. Perhaps it might be better if the hon. member gave notice of his intention to raise the matter at the time of adjournment. It can be considered and debated at that time.

Mr. Alkenbrack: Ten o'clock, Mr. Speaker.

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TRADE

AUTO PARTS—ALLEGED HARASSMENT OF CANADIAN SHIPMENTS AT UNITED STATES BORDER—GOVERNMENT ACTION

Mr. David Lewis (York South): Mr. Speaker, I want to ask a question of the Minister of Industry, Trade and Commerce arising out of his answers earlier this afternoon with regard to the treatment of Canadian auto parts exports to the United States at the border. I heard the minister say emphatically that there was no particular attitude toward our auto parts. Has he received communications from Canadian auto parts manufacturers complaining about what they call harassment at the border? If so, has he investigated their particular complaints and informed them of the results of his investigation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, there have been some complaints and this is exactly the point on which I was reporting. It cannot be said that what the U.S. customs officers are doing is against the rules and regulations. I have said that they were implementing these customs rules and regulations in a tighter way than they have in the past. But there is no way we could say that what is taking place now is contrary to the customs rules and regulations.

Inquiries of the Ministry

AUTO PARTS—TIMING OF ALLEGED TIGHTENING OF CUSTOMS REGULATIONS BY UNITED STATES—OPERATIONS OF UNITED STATES MANUFACTURERS UNDER DISC

Mr. David Lewis (York South): I have a supplementary question, Mr. Speaker.

Mr. Speaker: The hon. member may ask a further supplementary question and then the Chair will recognize the hon. member for York-Sunbury.

Mr. Lewis: It may be that the rules are not being violated and therefore this makes it difficult for the minister, but would the minister inform the House whether this tightening up of regulations so far as automotive parts are concerned has taken place in recent weeks and months as the manufacturers have claimed rather than for the past three years. Second, did their communication also draw the minister's attention to the fact that some major auto parts manufacturers in the United States have begun to set up export corporations under DISC and, if so, has he made any representations on that?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I can only say that the tighter application of the rules and regulations is not concentrated on the auto parts makers, on automobiles, or on Canada, and that their decision to do so is not recent. I can only repeat these four points. It is impossible to make a case for that section of the trade in particular.

Mr. Speaker: Order, please. I apologize if I interrupted the minister but I thought he had completed his reply. However, there is a second part to the question which he may be allowed to answer.

Mr. Pepin: Regarding DISC, there is no way of knowing the names of those 100-odd companies which have apparently manifested their intention to form DISC companies in the United States. The information I have from Canadian auto parts manufacturers—and it is only hearsay—is that there are a few of them applying, but one cannot say that there is a rush on the U.S. side by auto parts manufacturers to create DISC companies.

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VETERANS AFFAIRS

POSSIBLE TAKE-OVER OF COLONEL BELCHER HOSPITAL, CALGARY—PROTECTION OF PRIORITY OF TREATMENT FOR VETERANS

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I wish to direct my question to the Minister of Veterans Affairs. Are there any negotiations presently taking place between the Department of Veterans Affairs and the Alberta government with regard to a take-over by the Alberta Hospital Commission of the Colonel Belcher veterans hospital in Calgary, and what guarantees are being sought to protect the veterans interest in priority of treatment?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, we have a policy in this regard and we have been

open to suggestions from all the provinces. However, I have no knowledge of any active discussions going on with Alberta at present.

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GRAIN

POSITION OF SHIPMENTS TO WEST COAST—PLANS FOR IMPROVEMENT IN RAIL HANDLING—EFFECT OF OPENING OF SEAWAY

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the minister responsible for the Wheat Board. I should like to ask him how far behind we are in our commitments to shipments on the west coast, whether any plan has been formulated with the railways, how they have stepped up their shipments to the west coast, and how the opening of the seaway, which is delayed this year, will affect the situation?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the number of ships waiting at Vancouver remains fairly high. The problem of continuing difficulties in the Rocky Mountains for both railroads is contributing to this. The railways have enough cars and equipment committed to the movement of grain so that if the rail lines are operating they can gain on the commitments the Wheat Board has on the west coast. They are attempting to switch cars from one line to another. For instance, the CNR has tried using the PGE and in each case they have run into some special difficulties. At the moment, we are simply facing the difficulties of the great snowfall and the slides which are occurring there.

POSSIBLE DIVERSION OF CARS TO THUNDER BAY UPON OPENING OF SEAWAY

Mr. S. J. Korchinski (Mackenzie): May I ask whether these cars, which are obviously stalled by the snow on the west coast, will all be diverted to the Thunder Bay area when the seaway is opened in a week or two?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, the objective will be to have enough cars in the movement to Vancouver to reach and maintain unloads in the order of 800 cars a day on a five-day week basis, while at the same time achieving unloads in the lakehead region of 1,700, 1,800 or 1,900 cars, which of course are fantastic new record levels.

Mr. Korchinski: May I ask if these cars will be diverted to Thunder Bay and are these ships going to be waiting in the meantime while we are diverting these cars to Thunder Bay?

Mr. Lang: As I pointed out, it is not a matter of the diversion of cars. There will be cars in the movement to handle both record volumes.

[Mr. Laing.]

NUMBER OF SHIPS WAITING AT VANCOUVER— PAYMENT OF DEMURRAGE CHARGES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, the minister has said that there are quite a number of ships in Vancouver waiting to be loaded. Could he give us the approximate number? Second—and the answer would interest the farmers particularly—in view of the tremendously increasing and mounting cost of demurrage, are the charges for demurrage going to be taken on by the government of Canada as a whole or will demurrage be charged to the western farmers as an expense for marketing?

Hon. Otto E. Lang (Minister of Justice): I do not have a report as of today on the ships waiting, but I believe the number is in the order of twenties. The cost of demurrage depends, in fact, upon the total arrangement between the charterer and the purchaser of the cargo and the Canadian Wheat Board, and in many cases the burden does rest upon the Canadian Wheat Board.

Mr. Diefenbaker: That is a fuzzy answer. I asked in particular whether it is a fact that the large cost of demurrage, which some say has amounted to $1 million over the past few months, will ultimately be charged to the expenses of marketing by the Wheat Board and thereby deducted from the final payment made to the western producer? It is as simple as that.

Mr. Lang: The government of Canada does not make a practice of entering into arrangements covering the risk of doing business for any particular industry. Of course, the government of Canada has taken steps to do a good deal to improve the income position of the prairie farmers, and two price wheat is—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: So the farmer has to pay.

Mr. Speaker: Order, please. I have to point out to hon. members that there are some 15 or 20 members waiting for the opportunity to ask questions. For the moment, I will recognize the hon. member for Regina-Lake Centre.

SUGGESTED ESTABLISHMENT OF ADDITIONAL TERMINAL ELEVATORS AT PRINCE RUPERT

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the minister in charge of the Canadian Wheat Board? Has the minister or the Canadian Wheat Board had any discussions or made any recommendations to the government for the construction of an additional National Harbours Board terminal at Prince Rupert? What, if any, proposals have been presented to the government for the enlargement of the harbour and port facilities at Prince Rupert?

Hon. Otto E. Lang (Minister of Justice): There have been general discussions about the need for additional facilities, and with the persistently large movement of grain at present more and more people are accepting the fact that these additional facilities are needed. As my colleague, the Minister of Transport, indicated today, invitations to the trade are being sent out to come forward with proposals

for the extension of these facilities. Considering the way this industry operates, this would be the most satisfactory way of adding facilities.

• (1520)

Mr. Benjamin: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Grey-Simcoe and return to the hon. member for a supplementary later.

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AGRICULTURE

LAMB—REQUEST FOR INCREASED TARIFF OR SUBSIDY FOR WOOL

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the fact that Canada produces less than 50 per cent of its lamb consumption, due to a great extent to the import duty of only half a cent per pound compared with beef products which enjoy 3 cents per pound duty, will the minister give consideration to this hard-pressed industry by creating an incentive for Canadian producers by increasing the import tariff or by the subsidization of wool?

Mr. Speaker: I trust the minister can reply briefly to this question. It appears to the Chair to be more in the form of a representation or submission.

Hon. H. A. Olson (Minister of Agriculture): I can reply very briefly, Mr. Speaker. Some time ago we initiated some discussions leading to better marketing procedures and structures so that the lamb producers themselves can obtain a much higher share than they are now from a good, strong Canadian market.

Mr. R. E. McKinley (Huron): Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture. In view of the many submissions that members are receiving from sheep breeders and producers, is the government going to reinstate the stabilization board payments on wool for sheep producers?

Mr. Olson: Mr. Speaker, I have replied a number of times in the House that there is far more money in increased returns for the producers from enhancing the market structure.

PROGRAM TO ASSIST SMALL FARMERS—POSSIBLE RE-OPENING OF NEGOTIATIONS WITH PROVINCES

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. In view of the request by the Manitoba Minister of Agriculture that the minister meet with the provinces in order to reopen negotiations on the farm adjustment program which he had put to them previously and which they have not accepted, is the minister planning to meet with them before proceeding unilaterally?

Inquiries of the Ministry

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, several days ago I sent an invitation to each of the provinces to try to negotiate an administrative arrangement for that program, and I do not believe we have heard from Manitoba yet.

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PENSIONS

ALLEGED THREAT OF LOSS OF ALLOWANCES OF BLIND PERSONS WORKING ON LIP PROJECTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Is he in a position to do anything for those blind people who are being encouraged to work under LIP projects with respect to protection of their positions vis-à-vis blind allowances and other pensions, which we are now learning they are in danger of losing? I think the minister has had some representations from the Halifax area with respect to this matter.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I will check the representations to which the hon. member has referred. I might advise though that I do not see a problem in terms of blind people's allowances. That really is under the Canada Assistance Plan. There is a cost-sharing arrangement with the provinces. It is administered by the provinces and there is a needs test. I would think that representations of that kind should be made to the particular province concerned.

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MANPOWER

POSSIBLE CLOSING OF POINT EDWARD VOCATIONAL TRAINING CENTRE—GOVERNMENT POSITION

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have been waiting to pose this question to the Minister of Manpower and Immigration, but regrettably because of his illness he has not returned to the House so I will pose it to the acting minister. I realize he is quite capable but I would ask him to take notice of the question because I would not expect him to have the answer today. In light of the recent report submitted to the joint planning committee of the Province of Nova Scotia and the Department of Regional Economic Expansion recommending that the Point Edward Vocational Training Centre be closed, and in view of the inconvenience this would mean for future trainees from Cape Breton and the effect it would have on the economy of Cape Breton, would the minister report back to the House that so far as the federal government is concerned such a move will not take place, thus relieving the anxiety that this report has created?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, I will be glad to think about that question. My first impression is that the Department of Manpower and Immigration would not be the department determining the question of the continua-

tion of that centre; it would be some other department. But I am going to study the question put to me by the hon. member.

Mr. Muir: Mr. Speaker, may I say that, in view of the fact it was a joint committee that prepared this report, I would think the federal government must have some say in the matter.

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PENITENTIARIES

ALLEGED LACK OF PSYCHIATRIC CARE AT STONEY MOUNTAIN

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is directed to the Solicitor General. It relates to the fact that a high percentage of prison inmates require psychiatric assistance in varying degrees. Is it correct that psychiatric care for the hundreds of inmates in Stoney Mountain Penitentiary in Manitoba is provided by a single psychiatrist who is over 75 years of age and who appears at the penitentiary on two half days a week? Further, if this is the case is the government taking steps to correct what is clearly an unsupportable situation?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I will inquire on this specific subject but we certainly experience great difficulties in hiring psychiatrists. This is why, to meet this situation, we are multiplying the number of psychologists in our institutions.

[*English*]

Mr. Rowland: When the Solicitor General obtains this information, would he be prepared to make a statement on motions indicating just what action has been taken?

[*Translation*]

Mr. Goyer: No, Mr. Speaker, I do not see the necessity for it but I will keep the hon. member informed.

* * *

• (1530)

[*English*]

LABOUR CONDITIONS

AGRICULTURAL WORKERS—REQUEST FOR MEASURES TO ENABLE FARMERS TO HIRE WORKERS—POSSIBLE EXTENSION OF APPRENTICESHIP PROGRAM

Mr. Cliff Downey (Battle River): Mr. Speaker, I would direct my question to the Acting Minister of Manpower and Immigration. In view of the alternatives offered by the provisions of the Unemployment Insurance Act and various welfare measures to those who normally accept farm labour, is the minister considering any measure that would relieve the situation so that farmers can hire labour at a price they can afford? Further, is there any consideration being given to extending the agricultural workers apprenticeship program which I understand expired last Friday?

[Mr. O'Connell.]

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for that question. I will have to take it as notice.

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POWER

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—CANADIAN REPRESENTATIONS AT SEATTLE HEARING

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I wish to direct a question to the Minister of the Environment. Is the government of Canada making representations at the hearing to be held in Seattle on Friday, March 31, concerning the raising of the Ross Dam which would result in the flooding of the upper Skagit Valley in British Columbia?

Hon. Jack Davis (Minister of the Environment): Yes, Mr. Speaker, that was the purpose of a press release which I issued today. In effect it contains a statement of the Canadian position which I expect will be tabled at the hearing.

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POST OFFICE

REQUEST FOR RECOGNITION OF AQUATIC SPORTS BY ISSUANCE OF STAMP

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a question to the Postmaster General. In view of Canada's outstanding record in the field of international competition in aquatic sports, is the government planning to recognize this contribution by issuing a special stamp and, if so, will such a stamp be issued in time for the international competitions in Winnipeg on April 8 and 9?

Hon. Jean-Pierre Côté (Postmaster General): In what year?

Mr. Dinsdale: This year.

Mr. Côté (Longueuil): No, Mr. Speaker.

Mr. Dinsdale: Ten o'clock.

Mr. Speaker: We have just about reached the end of the question period. The hon. member for Kootenay West had a supplementary to the previous question and he will be recognized for that purpose.

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POWER

PROPOSED FLOODING OF SKAGIT RIVER VALLEY—TRANSMISSION OF CANADIAN POSITION TO WASHINGTON

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. In view of the statement made today by

the Minister of the Environment that he sees the International Joint Commission Report on the Skagit Valley as confirming the Canadian view that the flooding of the upper Skagit Valley in Canada should not take place, I would ask the minister whether this Canadian view has been officially transmitted to the appropriate department in Washington?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the statement made by the Minister of the Environment is of course concurred in by the Canadian government, and therefore the Canadian government's position is now well known.

Mr. Speaker: Order, please. I have to apologize to a number of hon. members who stood religiously and gallantly during the question period, in particular the hon. member for Egmont, the hon. member for Brant and the hon. member for Joliette. I have tried to make a mental note of the fact that they were not recognized today and I would hope an effort could be made to give them priority tomorrow.

Mr. Benjamin: My apologies, Mr. Speaker, but I believe you indicated earlier that you would return to me for a further supplementary question.

Mr. Speaker: I am quite prepared to do so. In fairness, if the House allows the Chair to do so, we will return to the hon. member for a further supplementary, and then I believe the hon. member for Malpeque has a point of order.

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GRAIN

GOVERNMENT POSITION ON CONSTRUCTION OF PUBLICLY OWNED TERMINAL FACILITIES AT PRINCE RUPERT

Mr. Les Benjamin (Regina-Lake Centre): I thank you and the House for your patience, Mr. Speaker. I wish to ask the minister in charge of the Canadian Wheat Board whether it has been decided that it will be government policy not to construct publicly owned grain terminal facilities at Prince Rupert, and is he attempting to persuade the private grain trade to do so? Also, what decisions have been passed on to the Minister of Public Works in terms of construction of other facilities at the Port of Prince Rupert?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, my colleague the Minister of Transport indicated that we were prepared to look at direct government involvement in additional facilities but that the first step would be to invite the grain trade to instal such facilities. It has been our experience that this is the most satisfactory technique, because the trade which owns the collection facilities inside the prairie region makes the best use of terminal facilities. This has been one of the difficulties with the existing Prince Rupert facility over the years, and one of the reasons it has not been used as fully as it might in lower periods of export.

Message from the Senate

BUSINESS OF THE HOUSE

WEEKLY STATEMENT—LENGTH OF EASTER RECESS

Mr. MacLean: Mr. Speaker, I would ask the government House Leader if he could indicate what business the government proposes to place before the House tomorrow and for next week up until the Easter recess?

Mr. MacEachen: Mr. Speaker, tomorrow I should like to call Bill C-170, an act respecting the payment of benefits for children. Following that we would call the Explosives Act—

An hon. Member: Speak up!

Mr. MacEachen: —and the hijacking and piracy amendments to the Criminal Code.

Mr. MacLean: Mr. Speaker, could the government House leader indicate when he expects that parliament will be recalled, that is, how long the Easter recess will be?

Mr. MacEachen: Mr. Speaker, I have indicated already that we would be coming back not earlier than April 10. I shall probably put a motion on the order paper later this week or early next week indicating the exact time, but certainly it will not be earlier than April 10 and probably a little later.

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MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-3, an act to change the names of the Territorial Court of the Yukon Territory and the Territorial Court of the Northwest Territories, to which the concurrence of this House is desired.

Mr. MacLean: Mr. Speaker, I rise on a point of order. I believe there is a general understanding that if the time limitation in rule 58(13) were to obtain while the first four party spokesmen delivered their speeches, namely the mover and whoever replies for the government and the representatives of the other two parties, perhaps all speeches following could be limited to 15 minutes if that would meet with general agreement.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, we agree to this. We should like to make the usual amendment that no one will seek to speak overtime.

Mr. Francis: Mr. Speaker, I believe that if the chief speaker for the government could participate later he would have a longer period; is that not so?

• (1540)

Mr. MacLean: What I said, Mr. Speaker, was that rule 58(13) would apply and I believe that is the case.

Mr. Speaker: I am sure there is no difficulty about this point. Hon. members have heard the suggestion made by the hon. member for Malpeque concurred in by other hon.

members. Is it the pleasure of the House to make this an order of the House?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—ALLEGED FAILURE OF GOVERNMENT TO INCREASE PENSIONS BY SAME PERCENTAGE AS INCREASE IN CONSUMER PRICE INDEX

Mr. P. B. Rynard (Simcoe North) moved:

That this House condemns the government's failure to contribute to pensions, allowances and other benefits granted or administered by the government a yearly percentage increase corresponding to the percentage increase in the Consumer Price Index for Canada.

He said: Mr. Speaker, in April of 1972 old age pensions or guaranteed incomes will be increased from $135 to $137.70 for a single person and from $255 to $260 for a married couple. This represents an increase of nine cents per day for a single person or less than 17 cents a day for a married couple. This only applies to those getting the maximum guaranteed income.

At the end of January, 1972, there were 672,960 individual old age pensioners getting the maximum supplement, and 110,176 old age pension couples receiving the maximum supplement. In other words, just less than 45 per cent of all old age pensioners were getting the full supplement and the full benefit of the 2 per cent cost of living escalator.

If the Liberal government had lived up to its promise in 1968 of a "just society" and given the old age pensioners and those on guaranteed income supplement an amount equivalent to the annual rise in the cost of living, the old age pension would have gone from $75 per month to $89.85 today—this shows how the pensioner has been gypped—and the guaranteed income supplement would have gone from $30 to $58.81. In 1972, individual recipients of the old age security pension would be receiving $9.85 more a month or $118.20 more per year than they actually do now. That is this magnanimous government. Similarly, in 1972 all recipients of the guaranteed income supplement would be receiving $58.51 instead of the present level of $55, or putting it another way, this would mean over the year a difference of $42.12 to recipients of the maximum guaranteed income supplement. The total cost of this program from January 1, 1968, to December 31, 1971, would have amounted to $230 million. The money was there, Mr. Speaker, because on December 31, 1971, there was a balance of $636 million in the old age security fund.

Now, I intend to deal with those people for a few minutes and show how they get by, because it is apparent that some members of the government think these pensioners live in luxury. The average rent for a bachelor apartment in any of our cities or towns today is $125 a month whilst a one bedroom apartment, runs at an average of $150 per month. I have checked those figures. I leave it to the reasoning and common sense of members of this House to decide how these people live. Just how do they get by? In a city of approximately 22,000 people, typical of old Ontario, there are 15 single units renting at $37 a month and 12 units for married couples. These are subsidized, but to qualify one must have an income of $175 a month or less. I also checked these figures. Hundreds of applications are on record for low-cost housing. In that city, Mr. Speaker, there were 2,349 old age pensioners and over 1,500 of them were getting the guaranteed income supplement. I do not think I need dwell further on the bind in which those people found themselves. When you consider that, on the average, they have to spend 28 per cent of income on food and 25 per cent on shelter, you wonder how they live and by how much they must tighten their belts.

I have brought this motion forward today because of the cynical attitude taken by the government towards all government pensioners. What rhyme or reason is there for denying people their rights? What sort of government is it that will compensate people with dollars constantly eroded by inflation?

Mr. Dinsdale: There is no compassion.

Mr. Rynard: What justice is there in denying old age pensioners a pension that they have paid for over the years? They paid for this pension in hard dollars, Mr. Speaker. Some were earning between $32 and $35 a week when paying into the old age pension fund. First, they paid 2 per cent, then 3 per cent, then 4 per cent of their taxable income into this fund, up to a maximum of $240 a year per person. Mr. Speaker, $961 million was raised from income tax in 1970 for the old age pensioners. Seven hundred million dollars was raised from federal sales taxes and around $250 million from the 3 per cent corporation tax. Every solitary old person contributed to these taxes; every one of them paid into the old age pension fund. By what right does anyone take away what belongs to them?

Some hon. Members: Hear, hear!

Mr. Rynard: This payment is not charity. It has been paid for in taxes and there is at present a surplus of over $600 million in the fund. As I said, the older people paid into the fund in hard dollars. Yet each year the dollar purchases less. The former minister of finance, who is now Minister of National Defence (Mr. Benson), estimated that there would be over $2 billion available for 1970-71. He only paid out $1,905 million; what did he do with the balance of $95 million?

We cheat those on fixed incomes when we pay them in cheapened dollars. I wonder how much has been taken out of the OHSIP fund in the form of taxes on doctor's incomes; to what extent have medical services been taxed? When we tax the inflated incomes of certain doctors, we are placing a tax on sickness. As I said, we cheat those on fixed incomes when we pay them in cheapened dollars. Do not forget, Mr. Speaker, that inflation yields more revenue for the government through higher salaries.

Nevertheless, the government has frozen the old age pension. They now call our pensioners the "Trudeau rich". I do not know who invented that label. There are about 510,000 of them in this country; I am speaking of pensioners with incomes of between $130 and $400 a month. During the past year their purchasing power declined by between $76 and $80.

If the government has been able to do this and get away with it, one wonders what else it can get away with. May I read from an editorial that appeared not long ago in the *Globe and Mail*. It reads:

> Old-age pensions are not charity. They are not hand-outs by a compassionate Government to the destitute old. They are annuities returned to persons past 65 for investments, both direct and indirect, which the Government has compelled them to make year after year. The explanatory papers attached to Finance Minister Edgar Benson's budget speech made this clear. The country, which is at present making out its income tax returns, needs no reminder.
>
> Each individual, as he works his way through his difficult tax return, will find that he is paying a 4 per cent tax on his taxable income, to a maximum of $240 per person per year, which is specifically earmarked for old-age security.

The article refers to a $600 million surplus in the fund, mentions the mothers allowance and blind persons allowance, and then reads:

> But the basic old-age pensions were bought and paid for by the people who are collecting them.
>
> They are collecting them, however, in money which year after year buys less and less.

The fact has not had the impact in this House that it ought to have had. Some wage earners who paid into the pension fund earned $35 a week in hard dollars. Now, some of our people are earning up to eight times as much; others, of course, are not earning quite that much. We said to the old age pensioner, if the cost of living goes up by more than 2 per cent, the old age security pension will be escalated by 2 per cent per year, maximum. Mr. Speaker, I believe Your Honour was a legal light. How would an agreement stand up in court if it provided for an increase of 2 per cent in pensions if the cost of living went up by more than 2 per cent, but not a nickel extra if it went up by less than 2 per cent? Would that not be considered as a one-sided agreement? Yet the cost of living has been rising at 4 and 5 per cent per year, and the buying power of our older people has been shrinking by about 3 per cent per year. Prices go up but pensions do not match that rise. Is that not unfair? Taking the hard earned dollars of working people who paid into the fund in hard cash and paying them with inflated dollars is also unfair. One could go on enumerating grievances.

As I said, if the government could do this in the case of pensioners, one wonders what it could do with bonds or securities of any kind. The government has broken its agreement. Mr. Speaker, perpetual bonds issued in 1935 are now worth only 40 cents on the dollar. This indicates how much their worth has shrunk. If that does not bring about distrust of government, I do not know what will. Is that the sort of honesty the government is preaching to the people of Canada? I say to the government that it creates deep distrust in the minds of Canadians by reneging on old agreements and by refusing to give the old age pensioner his rightful due. The government knows full well that rents and the cost of shelter went up last year by 7 per cent and that food went up by 7 per cent. Knowing all this, why does the government deny our older people justice? The government takes the view that if the rate of inflation is 2 per cent per year or more, the pension of the pensioner will increase by 2 per cent. However, if the rate of inflation is under 2 per cent, the pensioner gets no increase. That is a pretty one-sided contract.

May I say a few words about family allowances? I expect hon. members recall that family allowances first came on the scene in 1945 when the average weekly wage in Canada was $32.50. Now, the average weekly wage has multiplied by four times to $132.72. That was the 1970 level, and represents an increase of approximately 400 per cent. Family allowances, on the other hand, have increased by only 15 per cent since 1945. How are family allowances to be dealt with? A family with one child between one and 11 years of age is to get $180, and $240 if the child is between 12 and 17. These amounts are not as great as they should be. They are at about 75 per cent of the level that would be fair.

• (1550)

The joke here is that they are shortchanging the family 25 per cent. There is no cost of living allowance written in, nor any escalator clause. That remains fixed. All you have to do is look around at the money that is being brought into circulation. The money supply in this country was increased by 30 percent in January and 40 percent in February. This means only one thing. We are going to have runaway inflation. It may take a few months to catch up, but it will catch up. There is no escalator clause. This party would like to see such a clause put in the family allowance scheme.

Knowing how cynically this government refused the old age pension adjustments, it is important that we do not let this government get away with anything. The same holds true for pensioners in other areas. They see the salaries of their counterparts being driven up by the fires of inflation away beyond what they ever received. They also see themselves limited to an escalator clause which is away below the inflationary figure of just under 5 percent.

I now want to deal briefly with veterans affairs. First, there is a lack of an escalator clause in pensions paid to veterans to compensate for the increase in the cost of living. This House dealt with the Hong Kong veteran. I had the privilege of examining some of those veterans. Their pension increase was long overdue because of the inhumane way they had been treated. However, do hon. members know that we have not done a solitary thing for the fellow who fought in other areas of war, those who fought in Europe, were manacled and chained in Europe, went on forced marches and starved. We have never done one solitary thing about their problems.

Mr. Francis: Can I ask the hon. member a question?

Mr. Rynard: Yes, when I am through. If you want to ask a question, go ahead and we will see what it is.

Mr. Francis: Mr. Speaker, I respect the position of the hon. member, but does he not agree there was an exceptional incapacity allowance introduced which would apply to those cases he described, those who suffered

hardship while prisoners? In fact, a number are now receiving the exceptional incapacity allowance.

Mr. Knowles (Winnipeg North Centre): How many?

Mr. Rynard: As far as I know, Mr. Speaker, it is rather difficult to comply with that rule. I have never seen any who have been able to do that. If the hon. member has records of such cases, I would like to hear about them. I brought such cases before the medical appeal board, but nothing was done. If he has such cases, I would like to hear about them so that I can make use of them.

I want to ask the hon. member what we are doing about the fellow who shows up with an illness 15 or 20 years later that it is said is not connected with any war service or war injury. What is this government doing about that? Not one solitary thing. If he has a record of any cases of that type being dealt with, I would like to know about them. In the United States such veterans are looked after, but the government says we treat our veterans better than any other country.

The United States accepts cases of psychosomatic illness which do not show up for a period of 20 years, but had their roots in the malnutrition and hardships the veterans underwent when fighting in the war. As a matter of fact, the War Claims Commission recognized those injuries and awarded special per capita grants from money confiscated from enemy aliens. The Canada Pension Commission pays no attention to this.

Then, we have the case of the extremely disabled veteran. The Trudeau gouvernment has ignored these veterans. Twenty Liberal members of Parliament sat on the Standing Committee on Veterans Affairs. Possibly the hon. member for Ottawa West (Mr. Francis) was one of those. This committee recommended a $3,500 pension but the Trudeau government kept it at $2,400. Why? In committee, they were in favour of this, but in the House they were against it. This is not the first time they have done this. I can state another time when this was done. I can name the members. In fact, I see some of them here. We can compare this treatment with that given the United States veteran who receives $5,400. If any member thinks that veterans are treated better in Canada, let him get up and say so and give his authority for making that statement. In committee, the members were in favour of an increase, but in the House they were against it. Do you know all that would have cost? The hon. member for Ottawa West and I have been good friends for a long time, but even the *Globe and Mail* could not stand that and wrote an editorial on it. They stated that the total cost to the government would only have been $750,000. Consider the $10 million the government is spending on Information Canada.

Mr. Hees: Yes, $10 million a year.

Mr. Rynard: The operating cost of the office of the Prime Minister (Mr. Trudeau) has increased from approximately $75,000, 10 years ago to over $1 million.

An hon. Member: $17 million on the *Bonaventure.*

Mr. Rynard: Yes. We could keep on talking all afternoon.

Mr. Hees: How about the hydrofoil?

[Mr. Francis.]

Mr. Rynard: Yes, there is also the hydrofoil and $750,000 was refused these people. We can go right back to the defence department. The defence department at the same time refused to guarantee that the cost of four unnecessary destroyers would not exceed $252 million.

Since World War I, 10,000 Canadian veterans have been living in the United Kingdom. I saw some of those people in Hammersmith Hospital. They are in strained circumstances, yet the Canadian government demands that these people return to Canada and live here for one year. I ask the hon. member for Ottawa West how he proposes to transport these people. Some of them are in bed, paralysed. In spite of this, the government says that they must return here before they can receive a pension. Have you ever heard of such foolishness? Bring the veteran back? Shame. Even though some of these veterans are bedridden and paralysed, they must live in Canada for one year before they qualify and can take their veterans allowance with them. How do they make the trip? The prisoner of war suffered psychosomatic stress and malnutration and this is presumptive evidence of his illness being caused by war service.

In conclusion, I wish to make a few comments about foolish things we have done, such as the 2 per cent cost of living escalator. One member of this House, who used to be an honoured member of the government and a deputy premier, stated here the other day that the $150 million being spent on the Local Initiatives Program was costing countless wasteful tax dollars. He asked the question about the LIP grant being given to satanists. Satan used to be a bad word when I was growing up, but now I do not know. A grant of $25,000 was given to satanists of the Progress Church of the Final Judgment in Toronto, yet the Salvation Army, which has had long experience in handling these things, was refused a grant. Oh, Mr. Speaker, it is tiresome when you go over the list of their sins. But, you know, one of the things that does bother you is they go around the country and make statements about how many people they have taken off the tax rolls.

• (1600)

Mr. Dinsdale: How many have they put in the poor house?

Mr. Rynard: It is an amazing thing. Let me give you the figures. In 1970 there were 9,195,000 on the tax rolls. In 1972 there were 9,436,000 taxpayers. Where are the 750,000 they have taken off? Why, they have added nearly 300,000 more to the tax rolls.

Oh, Mr. Speaker, I could go on at length, but I think I have probably made the point of the callousness of what they have been doing, the injustice of the whole thing, the cheating of people, taking away what was theirs. It is a government which has failed to control inflation. From 1967 to 1970 the cost of living rose by almost 14 per cent, 13.9 per cent to be exact. The 2 per cent mini-escalator clause would allow a 6.15 per cent increase. Putting it into plain words they are cheating the pensioners of this country by 7.8 per cent. That is right there, in hard, cold figures and you cannot get around it. And this is a government which had $150 million to spend on programs which were sometimes downright harmful. A long list of them was cited this afternoon. It would take all the afternoon to

tell about their sins of commission, their waste and extravagance, inflation in government spending. You know, sometimes I wonder, and I have some good friends over on the other side, good friends, I look over at them there and, you know, I cannot understand it. I do not know whether they leave their consciences at the chamber door and go to pick them up when they go out. How in the world can they justify decreasing old age pensions by approximately 3 per cent per year while raising their own salaries by 50 per cent?

Mr. Whicher: How did you vote?

Mr. Rynard: How did I vote? I want to tell you I did not vote for it. How did you vote?

Mr. Whicher: How did your party vote?

Mr. Rynard: You did not ask me that. You asked me how I voted.

Mr. Whicher: You know what would have happened if you had not voted for it over there.

Mr. Hees: Come on, Ross. Stand up and tell us how you voted.

Mr. Deputy Speaker: Order. The hon. member who has the floor should address his remarks to the Chair, as should other members.

Mr. Rynard: Thank you, Mr. Speaker. It is an irritating subject to the Government and when people, as I have suggested, may have left their consciences outside, they are hard to get along with.

Perhaps, though, on a different note, I could appeal to those fellows over there. They are nice guys. Maybe I could appeal to them and leave these words of Shakespeare with them:

> The quality of mercy is not strain'd,
> It droppeth as the gentle rain from heaven
> Upon the place beneath. It is twice bless'd;
> It blesses him that gives and him that takes,
> 'Tis mightiest in the mightiest . . .
> It is an attribute to God himself;
> And earthly power doth then show likest God's,
> When mercy seasons justice.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the motion before us this afternoon is one which asks for the very least that anyone could request in the field of old age and other pensions.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I believe, at least I assume, that the motion does include other pensions and allowances as well, not just old age pensions. I assume it includes veterans disability pensions and war veterans allowances; that it includes the pensions of retired public servants, and that these, in turn, would include pensions of retired members of the Armed Forces and of the RCMP. I assume it includes pensions drawn under the Canada Pension Plan and any other pensions and allowances which come under the responsibility of the federal government.

The motion is one that clearly requests that an escalator clause be attached to all these pensions and that in all cases the percentage provided in that escalator clause shall be equal to the actual increase in the cost of living. This means that old age pensioners drawing the guaranteed income supplement, and who now get a 2 per cent increase a year, would get a 5 or 6 per cent increase in line with the increase in the cost of living. It also implies that pensioners who are drawing only the basic $80 old age security benefit would receive an increase and that it would amount to between 5 or 6 per cent, reflecting the current increase in the cost of living.

I gather the motion implies that the increases which take place annually in the pensions of retired civil servants and others associated with them would also be the equivalent of the actual cost of living increase, not just the 2 per cent they now receive under the law. I take it that the proposal would also apply to benefits under the Canada Pension Plan where the escalator is again limited by law to 2 per cent. I would hope, also, that the motion would be regarded as covering certain other pensioners, for example, those of the Canadian National—they do not come directly under the government but they work for a Crown corporation. Once we get into that area we also think of Canadian Pacific employees and others. I trust I am not doing an injustice to the motion when I say that what it asks for is that all pension arrangements should contain an escalator clause and that the escalation should not be limited to 2 per cent but that it be equivalent to the actual rise in the cost of living.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): As I indicated a few moments ago, this is the least which could be asked for in this chamber, and I think every Member of the House of Commons should stand up at 9.45 tonight and vote for this motion.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Up to this moment I have enjoyed the applause from my good friends to the right, the members of the official opposition party. I am afraid I shall now have to say one or two things which they may not want to applaud. I hope the applause may come from the other side, from the supporters of the Liberal party, but we shall wait and see.

Mr. Dinsdale: Quit while you're ahead.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I always welcome a debate on pensions. I always welcome any plea made by any hon. member in any quarter of the House for an improvement in the lot of our senior citizens and retired people. But I have to say I am bitterly disappointed, today, because the Progressive Conservative party has not gone far enough. This motion today is in line with the kind of thing the Leader of the Opposition (Mr. Stanfield) has been saying as he has gone about the country during the last few weeks, namely that the federal

government is not doing enough for old age pensioners. But when he gets down to something precise, he says exactly the same as that put forward in this motion, namely that the pensions of our retired citizens should be increased, not just by 2 per cent but by the full amount of the increase in the cost of living. That means an increase of 5 or 6 per cent. It means that those now drawing $80 a month will get another $4 or $5. It means that those now drawing $135 a month will get another $6.75. It means for those on war veterans allowance, who are receiving, if single, $121 a month, an increase in the order of $6.

• (1610)

I say that is not good enough, Mr. Speaker. It is a delusion to create the impression that simply by adding to pensions in step with the increase in the cost of living you have done your duty by the senior citizens and pensioners of this country. What is sorely needed and is long overdue is an upward adjustment in the basic rates of all these pensions. Shame on the Liberals for doing nothing, but shame on the Progressive Conservatives for asking only for a 5 or 6 per cent increase in the present $80 pension! The pension should be raised to $150 a month. Veterans should not be on an allowance, if single, of $121 a month, or $201 a month, if married; those allowances should be at least $150 a month single and $300 a month for a married veteran.

I could go on down the list. Pensions of all kinds presently being paid under the auspices of the government need to be reviewed, and the question asked: Are they of a reasonable amount in light of today's production, today's cost of living and today's standard of living? When you talk merely of increasing pensions in relation to the cost of living, Mr. Speaker, all you are doing is permitting older people to continue to enjoy whatever standard of living we gave them when we fixed their pension. The fact is that when we fixed their pensions we put them into the poverty bracket, and all you do by raising pensions in step with the increase of the cost of living is to keep those pensioners within the same poverty bracket. That in itself is bad enough. But, in addition to that, by increasing pensions simply by that amount we are saying to our retired citizens: "This is a wonderful age. Production is going up, standards of living are going up, people are living more affluent lives, but you older folks are not to share in those things; you have to stay with the 'keep body and soul together' pattern rather than share in the increase in our country's standard of living".

What we should be asking for today is for the raising of the basic amounts of all pensions. Before I get to the end of my time—and I am keeping my eye on the clock, Mr. Speaker—I shall be moving an amendment to this effect. I do not intend to move it at this moment but I might read it so that hon. members will know what is coming. When I reach the end of my twenty minutes, I shall move that the motion be amended by adding thereto, immediately after the word "Canada", the following words:

—and its failure to raise to adequate levels the basic amounts of all such pensions, allowances and benefits.

If my amendment were accepted, the motion as amended would then read:

[Mr. Knowles (Winnipeg North Centre).]

That this House condemns the government's failure to contribute to pensions, allowances and other benefits granted or administered by the government a yearly percentage increase corresponding to the percentage increase in the Consumer Price Index for Canada, and its failure to raise to adequate levels the basic amounts of all such pensions, allowances and benefits.

I should have liked to recast the motion and to put the question of raising the basic amounts first, then calling for the full scale escalation clause, but I was afraid I would get into procedural trouble if I did that. However, the result is the same if I put my amendment at the end of the main motion. What I want this House to face up to this afternoon is not only the shame of the government for failing to do anything for the pensioners of this country, but to the inadequacy of the proposal that has come from the official opposition which asks merely for an increase equal to the increase in the cost of living.

Our position is that our old age pensioners today should have as a very minimum a pension of $150 a month; that that $150 a month should then be escalated year by year as the cost of living goes up. Starting from that level, an increase of 5 or 6 per cent would mean something. But 5 or 6 per cent of the present $80 a month, or even of the $135 that the guaranteed income supplement pensioners receive, is hopelessly inadequate. We also contend that veterans allowances and war disability pensions should be reviewed. I was pleased with the answer I got from the Minister of Veterans Affairs (Mr. Laing) the other day to the effect that consideration is being given to the representations that have been made by War Amputations of Canada for an increase in the basic rate of war disability pensions, and I hope the minister meant what he said.

The fact of the matter is that the basic rate of the war disability pension, which was set just after World War I at a certain wage standard in the Public Service, has fallen behind that standard. I also draw attention to the fact that the war veterans allowance today for a single person is only $121 a month, or $201 a month for a married veteran. Certainly, that is not good enough, even if other income up to $161 single and $271 married is permitted. Neither is it good enough just to ask for those amounts to be increased by the extent to which the cost of living has risen. I insist that those figures should be at least $150 for a single veteran and $300 for one who is married. As hon. members know, I believe we should do even better and provide a guaranteed income at an adequate level to all veterans at age 55.

I have already referred to the pensions of retired public servants. I am still excited over the fact that we finally won for them the principle of an increase in their pension after those affected have retired. I think the initial step taken by the government in 1970, providing for a considerable amount of retroactivity, was a good one; I said so then and I say so again today. But in the meantime we have had a substantial rise in the cost of living which has outdistanced the 2 per cent increases that these people have received. Salaries have gone up, to the extent that today future pensions are going to be larger than the amount many former public servants drew as salary. This is why it is time the basic amounts of pensions that people are receiving today should be reviewed. It is also time, as I have said, for the escalation rate to be raised from 2 per cent to the actual rate of increase taking place.

In the case of the Canada Pension Plan I think there, too, the 2 per cent ceiling has to be reviewed and revised. I concede that some time ago the government did put on the records of this House the appropriate notices so that this matter could be discussed by the federal and provincial governments. I hope that those discussions will be actively carried forward, because a great deal has happened to our economy since the Canada Pension Plan was introduced—and I was one of those who supported it, there is no question of that—which requires the plan's benefits to be jacked up. Here again it is not going to be enough just to ask for the amount of escalation that is proposed in the motion before the House today; we must review the basic rates.

I could go on and mention again the Canadian National pensions and Canadian Pacific pensions, as well as industrial pensions generally. I repeat the plea that I have made many a time on the floor of this House that we amend the Pension Benefits Standards Act to require industrial pensions to meet the standards we are talking about today.

The point I am trying to make at this time is that though welcoming, as I do, the motion set down this afternoon by the hon. member for Simcoe North (Mr. Rynard), I feel the real problem that not only this parliament but society has to face is this: It is no longer good enough to treat our older people as objects of charity. It is no longer good enough simply to say to them: "We have given you a certain level of pension and we shall maintain you at that level by increasing your pension to the extent the cost of living increases". The time has come when basic rates have to be adjusted, and they will have to be readjusted every four or five years.

• (1620)

The plain fact is that if we have a humane and decent civilization our older people have just as much right to share in the rising standard of living as those involved in producing it. A further point I have made on other occasions, and will make it again as I get the opportunity, is that we must now be thinking about lowering the pensionable age. At least we should be providing that full old age security and Canada Pension Plan benefits should be available to our people at age 60 on one condition only, namely, that they leave the labour market. This would mean a great deal to these people. Many people at that age with the other savings or pensions they have would retire if given that opportunity, and this would do something to create jobs for the younger people. There is no question but that our attempt to raise the living standards of our people in the older age brackets would call for the production of more goods and services. Those who oppose us would like to knock down our idea by saying this would cost too much. What it will cost is more production and this would mean putting more people to work in order to produce the goods. A good and decent pension program would not only do something for our older people but would also have an advantageous effect on our economy as a whole and make things better for all people including our younger people who are sorely in need of jobs today.

I see my time is running out. There are one or two points I should like to make before I move the amendment I have already read. There is only one set of statistics to which I want to refer. It is the same set of statistics the hon. member for Simcoe North (Mr. Rynard) used in the opening part of his speech. His figures contained one error. This, however, was not his fault. He quoted a figure from page 949 of *Hansard* for March 20 which was part of a set of answers to questions of mine. The figure he quoted happens to be wrong. I drew attention to it as a matter of privilege on March 21 and I have been assured by the department that it will be corrected some time soon. I should like therefore, to refer to the figures put on *Hansard* of March 20 with the correction to which I have referred. The figures show that 1,756,548 Canadians are drawing old age security. That presumably just about equals the number of Canadians who are over 65, counting all but those who do not have sufficient residence to qualify for the pension.

Of that number 978,068 qualify for some portion of the guaranteed income supplement. That figure is 55 per cent of the total. In other words, more than half of the people of Canada who are over 65 years of age are so poor and so needy that they now receive some portion of the guaranteed income supplement. I shall go on further. The hon. member for Simcoe North gave a figure of 110,805. That is the wrong figure which will be corrected in a few days. It should be 484,394. That is the number of people receiving the full amount. I think it is a disgrace and we should bow our heads in shame, for that figure represents 27 per cent of the people of Canada who are over age 65. Remember that in order to qualify for the full amount of the guaranteed income supplement one can have nothing else. One might have $2 or something like that, but for all practical purposes he can have nothing else. That means that of the people who today in this tremendous and wonderful land reach age 65, more than one in every four reach it in a state of destitution. They have nothing. They are able to qualify not only for old age security which presently is $80 a month, but are able to qualify for the full amount of the guaranteed income supplement.

If anything ever demonstrated the need for a massive increase in what we are doing for pensioners these figures do it. I see my time is running out and therefore perhaps I should move my amendment before I am called upon to sit down. I want to say again that I welcome this motion even though I have been critical and have expressed some disappointment at my friends in the Progressive Conservative party for asking for so little. We shall vote for the motion because it is the least that should be done, but I hope other members of the House will join with us tonight in voting for our amendment. It says not only do we want escalation according to the cost of living but we want the basic amounts of all pensions across the board to be reviewed and raised to adequate levels. As an example of what we mean by the motion, we are asking that the basic amount of the old age pension be raised right now to not less than $150 a month.

Therefore, I have pleasure in moving, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That the motion be amended by adding thereto, immediately after the word "Canada", the following words:

"and its failure to raise to adequate levels the basic amounts of all such pensions, allowances and benefits".

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I think it is my duty to take part in the debate on the motion now before the House which reads:

That this House condemns the government's failure to contribute to pensions, allowances and other benefits granted or administered by the government a yearly percentage increase corresponding to the percentage increase in the Consumer Price Index for Canada.

I would begin my comments by mentioning two typical examples which will enable us to understand the problem.

A senior citizen of 65 came to my office in Victoriaville recently. He is severely ill and is receiving an old pension of $135 a month. He pays $70 for rent per month, which is reasonable, but he is left with only $65 a month for food, clothing and drugs.

This senior citizen is trying by every means to obtain supplementary assistance from provincial departments but to no avail, since he is told by officials that his case is the responsibility, not of the provincial government, but of the federal government from which he receives an old age pension. Anyway, every endeavour this citizen has made has been doomed to failure. In addition, he is unable to buy the necessary drugs to cure his sickness.

• (1630)

This a health matter of health but he is unable to buy them. The prevailing system prevents him from obtaining these drugs.

I suggest, Mr. Speaker, that if we do not urgently take effective steps to solve this problem we are all somewhat responsible for this citizen's predicament and even for his death, because if we refuse, as a society, to increase this aid we will all have contributed to someone's misfortune and perhaps to his death.

This case is not unique. My hon. friends are well aware that hundreds of cases like this exist in Canada but that the resources to satisfy the needs of these people are non-existent.

Let us consider another case, Mr. Speaker, that of two people who each receive a maximum pension, including the guaranteed income supplement. It gives them a total income of $255. In order to get that maximum amount, their marginal income must be minimum. In other words, after paying a reasonable rent of $70 a month, they are left with $185 a month or $46 a week, which makes $23 per person, to buy food, clothes, drugs and essential items.

If their television set—their only enjoyment—breaks down, they do not have enough to have it repaired. The same goes for essential appliances such as their refrigerator, their stove, etc.

What will we do for them, Mr. Speaker? Will we stop talking about them once and for all and take action? I am very pleased to have this debate today since it will allow us all to ask ourselves that question.

The main objective of the motion before us today is to have pensions paid to those in need, to the needy, escalated in the same proportion as the increase in the cost of living.

Mr. Speaker, I have here a clipping from the newspaper *La Presse* of Tuesday, March 21, 1972, entitled "Trend in recent months points to renewed inflation".

Two conclusions may be drawn. First, the fight against inflation by the government in the past four years has been conducted at the expense of the low income people and has certainly not solved the problem. Just the opposite. Second, this fight has contributed directly to the increase in the seasonally-adjusted rate of unemployment and neither unemployment nor inflation have been stopped.

The conclusion was drawn that the fight against inflation has been a monumental failure and finally, the conclusion can also be drawn that those benefiting from federal social welfare programs—which will cost this year, if I am right, $619 million according to the booklet "How your tax dollar is spent" published under the authority of the Treasury Board—will not be in a position tomorrow to meet another increase in the cost of living.

According to this newspaper report, the index of beef prices has gone up. Well, that is a product necessary for elderly and poor people. We are told that the index of general consumer prices has increased, and also that the price of eggs has increased, although most egg producers are going bankrupt because of the new program. It also says that pork prices are up.

All these developments apply to both the rich and the poor in our society. For the well-to-do, there is no great difficulty in adjusting to increased cost of living and inflation, but those who have no resources, no source of extra income because they are disabled or old, are the first victims of the increase in the cost of living. And what is being done for these people? Are we merely going to talk about it? Will we do something about it, some day.

What is most expensive now? Clothes, food, shelter and finally drugs. Well, those four items I have just mentioned are those which have most consistently increased in price during the past four years. This responsible article in *La Presse* states that the rise in prices will continue and accelerate until it gets out of control, which, as a matter of fact, is what is now happening.

Mr. Speaker, it is high time to see to this problem. The old, the poor, the disabled need shelter, food, clothes and drugs and you will agree with me, Mr. Speaker, that the assistance meted out to them, $135 for old age pension, with a maximum of $255 for two, is ludicrous.

Unemployment, increasingly frequent closing down of factories are all problems resulting from economic deficiencies. Today's unemployment in Canada, resulting from anti-inflation measures and creating cost of living problems, is not a consequence of saturated consumer demand or of exhaustion of production resources, but solely of nondistribution of products and services. There is no scarcity of products in Canada, Mr. Speaker. In the west, there is a wheat surplus problem. In Quebec, there are milk, butter and egg surpluses, surpluses of everything. The problem in Quebec is one of overproduction, according to learned government experts. In the Maritimes, there again they have surpluses of everything. How is it

that at the very time when there are surpluses of everything in Canada, poverty is increasing while unemployment and the cost of living continue to rise?

Mr. Speaker, to realize fully the need for an increase in old age security pensions to a reasonable level, in keeping with the cost of living, several factors should be taken into consideration. There is something I should like to mention, on the occasion of this speech, to stress the necessity of increasing old age pensions.

Canada draws its wealth from four main sources: the soil, subsoil, forests and waters. Our subsoil is so rich, Mr. Speaker, that it would be quicker to list the minerals that we do not find in it than those we do find. Therefore, the problem is not there.

Our soil is so rich that, as I said earlier, there are surpluses everywhere, in the west, in the east, in the Maritimes and in the central provinces. There is also a surplus of wheat, milk, fish, etc.

Our forests are so rich that they could be classed into two main categories: hardwoods and softwoods. The problem may be there. We have so much softwood, Mr. Speaker, that we do not know what to do with it. The main industries in that field are shutting down and laying off workers. So, the problem is not there since we have too much softwood. What about hardwood? Our stock is so plentiful that over the past 99 years we did not even have the courage to ensure the regrowth of our forests. We had so much of it that we gave it to the Americans, to foreigners, under extended 99-year leases. Again the problem does not lie there either. But where is it since we have so many resources? In our oceans, in our fisheries? Well, if we listen to the minister and study government statistics, we find out that here again we have surpluses.

In Denmark, a wee little country with a very high standard of living, at least favourably comparable with ours, they can count on one single resource: their subsoil. We on the other hand have at least four important groups of resources.

Japan has become the third commercial power in the world with a population of 122 million inhabitants living in 12 small cities. We Canadians have 22 million people thinly spread over one of the largest country in the world and so many resources that we do not know how to cope with them, yet we tolerate some one million unemployed.

• (1640)

We tolerate the fact that three families out of five are poor, according to the conclusions of the Croll report on poverty.

We have just begun implementing a tax reform establishing the poverty level at $3,000. On the other hand, we are not providing $3,000 a year for our old people to enable them to live decently. If we believe that the poverty level is at $3,000, let us give at least that strict minimum to the older people. I am almost ashamed to ask such a thing. That would not solve their problem, but their pension would almost be double what it is now.

Mr. Speaker, we must stop wasting our riches, stop deceiving citizens with hopes of creating employment. According to the brochure "How your tax dollar is spent", millions and millions are spent to create employment. Creating employment has become a mania. And as the government says: Let us create jobs or offers grants to create jobs, it adds in the same breath: We have too much wheat; let us set quotas. We have too many products in the east, let us establish ceilings. As a matter of fact, we have too much of everything. That is why there are so many things on the shelves of the department stores. While investing millions of dollars to create employment, the government says: Starve, for there are too many products.

Mr. Speaker, that shows that the problem lies nowhere but in a fair allocation of riches in Canada. Some may find that funny, but older and disabled people do not.

And, as I said in an earlier speech, the Unemployment Insurance Act itself—and do consider the sincerity of my remarks—is fine. Weekly benefits range up to $100, which shows that the government recognizes the impossibility of living with less in Canada. This legislation is fine in itself, but when we put it in the social and economic context in which we are compelled to live, we must conclude that it is more profitable to work nine months a year and to draw social welfare benefits or to be unemployed for the rest of the year than to work 12 months a year. We have reached the point where unemployment directly competes with work. And, meanwhile, poverty and wealth keep on increasing in Canada and there is no contact between the rich and the poor.

Mr. Speaker, our surplus production should be fairly distributed among all Canadians. Social Credit advocates a program whose purpose is to fill at all times the gap between prices of products offered to the consumers and the money in the hands of the consumers who want to get those products which they made. Such a system therefore rules out both inflation and deflation. It automatically and mathematically maintains balance between production and purchasing power. It puts money at the service of the people and forces them to assume their role, that is disposing of the production to the satisfaction of the consumer inasmuch as natural and industrial resources allow.

The Social Credit party is very funny but I can assure the House that the system that has been defended for 100 years is no longer funny. The Social Credit party is also a dedicated protector of ownership, of private enterprise. Any private enterprise has a social function to fulfill, which will inevitably be accomplished through a financial system consistent with the Creditiste proposals which advocate justice in distribution.

So, I say to the right hon. Prime Minister (Mr. Trudeau) that he will never come through with a just society in Canada unless he examines the proposals regarding justice in distribution. People are fooling themselves if they do not consider distribution of wealth. What is justice? It is fair distribution or equal consideration for all Canadians. This is exactly what we are asking for.

Any individual has the triple right to life, liberty, pursuit of happiness in a free country with decent standards. This is why, Mr. Speaker, we are asking for this system. The guarantee of such a right rests on the undeniable possibility of producing today all the things necessary to their achievement by using only a fraction of the human potential.

However, in the system that has been protected for 100 years—and you will see how this can be ridiculous—yesterday's production is bought today with tomorrow's money.

This is why most Canadians are in debt up to their neck for over $17 billion. We say, as far as today's production goes, let us buy it today and pay it today to bring this never-ending indebtedness to an end.

Mr. Speaker, we are deceiving ourselves if we believe that getting deeper into debt is the way out of our indebtedness. Anyone interested can obtain the pamphlet offered by the federal government and read at page 24 that Canada's public debt stands at $46 billion—not counting private indebtedness—and that this debt eats up 14 cents of each tax dollar paid by Canadians. This year alone, it will cost us $2,160 million in interests.

That is the financial system we are protecting. For whom? For our senior citizens? No, Mr. Speaker. For the disabled? No, Mr. Speaker. For the have nots? No, Mr. Speaker. When those people reach old age they do not face the problems which plague our senior citizens.

I would like to conclude with this: to understand the potentialities of the monetary system proposed by the Social Credit Party, let us not forget that the world is now in an era of affluence and that if we have poverty it is not because there are rich people but because this affluence is not equally distributed. Therefore, no need at all to strip the rich from their wealth and give it to the poor; let us simply put some technique into the monetary system and stop repeating that money is made for man. What we should do is put money to the service of man.

Mr. Speaker, we have two choices: Either we keep on degrading people or we take the steps required to encourage individuals to build and develop their country. Either we keep on protecting high finance with our citizens as slaves or we keep high finance down and we put money to the service of the Canadian people.

I will conclude by asking two questions. Why are we so afraid in this House of a monetary reform? Why are we prepared to reform anything except our monetary system?

I would like someone to reply, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Order. I regret to interrupt the hon. member, but his time has expired.

[*English*]

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I have listened with a good deal of interest to the spokesmen for the opposition parties on the other side of the House, in particular to the hon. member for Simcoe North (Mr. Rynard) who, I think, very properly has brought a well-founded resolution before the House concerning the problem of pension adjustments in a period of inflation. This is a problem which all western societies have to face now.

Indeed the record of Canada in regard to price controls in this period of, shall we say, price stability, according to recent studies has been as good as that of any of the 14 western European nations examined. But our record is not good enough. The government, with its responsibilities, has the very difficult problem of trying to create a delicate balance between price stability and employment. So far as pensions are concerned, the problem is particularly acute. It is difficult to maintain the degree of price stability that we would all like to see because, in view of the record of our major trading partners, we generally have to stay in step with them or else pressures show up in our balance of payments, in our foreign exchange rates, and so on. But in spite of the great difficulty in maintaining a temperate degree of price stability, the problem of adjustment of pensions has to be faced. It can be faced in two ways: either in terms of an automatic escalation formula, for which the hon. member for Winnipeg North Centre (Mr. Knowles) has fought as have other members of this House or it can be faced by discretionary adjustments over a period of time. This has been the procedure in the case of the Department of Veterans Affairs.

• (1650)

Before discussing in more detail the adjustments for pensions, war veterans allowance and war pensions, I should like to make a few general remarks about the kind of statement we have heard today. My hon. friend from Winnipeg North Centre, who is in the House at present, accused the opposition party that moved the motion of not promising enough and he did a magnificent job of outpromising them. He said that pensions should not merely be escalated for the cost of living but that the old age pension should be brought up to the basic level of $150 a month and the age limit lowered to 60 years. I think this is a fair summary of one of his recommendations. Mr. Speaker, we have gone through this debate at other times in this House. If it were only as simple as that. If the only thing to be done was for members of this House to be kind and generous and pass the motion, then pensions would flow on unhindered. If life were that simple it would be very nice.

The fact is that sums of this magnitude are very consequential. I have made some calculation and it would take something in the order of $1¼ billion to increase the pension of everyone over the age of 65 to $150 a month. This is regardless of whether or not they get the supplement. I may be out in my calculations but I think that is approximately correct. Reducing the age from 65 to 60 would substantially increase the cost. I know that my hon. friend from Winnipeg North Centre says that costs do not matter but he knows that increased expenditures of that amount are inflationary unless drastic measures are taken to compensate with revenue from other sources. It is not enough to give everybody what they would like. Then, why stop at $150? If we were to approve it, the hon. member would raise his sights. The fact is that these proposals in themselves are inflationary. It is like trying to solve the problem of putting out the fire by throwing gasoline on it. To those pensioners suffering from the increase in the cost of living, it is no compensation to promise measures which cannot be enacted consistent with even that degree of price stability which we have today.

As I indicated, Mr. Speaker, the Department of Veterans Affairs has been concerned about the problem and over a period of time has undertaken to adjust those pension rates which fall within its jurisdiction. Hon. members will recall that on March 17, in reply to a question from the hon. member from Winnipeg North Centre, the

Minister of Veterans Affairs (Mr. Laing) stated that consideration is being given to representations by the War Amputations of Canada asking for an increase in basic rates of pensions. He further stated that, while basic rates of war veterans allowance are not presently under review, "an action taken in one place might have consequences in another". The hon. member for Winnipeg North Centre is smiling, but this is precisely the exchange that took place.

Mr. Knowles (Winnipeg North Centre): I hope it is true.

Mr. Francis: I should add that the minister met with representatives of the association a few weeks ago. For some years it has been the practice of the government to review basic rates of both pensions and war veterans allowances once in about every two years, and to make any adjustments that might appear warranted.

Pursuant to this policy, basic rates of pension were raised by 11.1 per cent, effective September 1, 1964. Two years later, on September 1, 1966, the rates were again increased by 15 per cent. Just 16 months later, on January 1, 1968, the pension rates were raised by 15.2 per cent. Finally, just a year ago, on April 1, 1971, the basic rates of pension were again raised by 10 per cent. At the present time a 100 per cent pensioner, married and with one child, receives a pension of $4,920 a year. In addition, he may receive an exceptional incapacity allowance of up to $2,400 per annum under the provisions of last year's amendments to the Pension Act—I want to come back to this in a moment—and a further amount of up to $3,000 a year in attendance allowance. All these amounts are exempt from income tax. Furthermore, I have already indicated that the matter of basic rates of pension is under review again.

Summarizing the situation on disability pensions, I would point out that, considering only the basic rates and ignoring all the other supplementary payments, pension rates during the ten years between 1961 and 1971 have risen by 67 per cent, while consumer prices rose by only half as much, 33 per cent.

The position with respect to basic rates of war veterans allowance is very similar. On September 1, 1964 they were increased by 11.9 per cent. Exactly two years later on September 1, 1966, they went up by 11.7 per cent. A year ago, on April 1, 1971, these basic rates were raised by 15 per cent. Taking together the increases of the ten-year period from April 1, 1961 to April 1, 1971, the rise in basic rates of war veterans allowance has also been more than double the rise in consumer prices.

In the financial estimates for the year 1972-73, a sum of $232,550,000 has been requested for the payment of disability pensions and pensions to survivors, and a further $78½ million for the payment of war veterans allowance. In addition, a sum of $8¾ million is being provided under the assistance fund regulations, to give supplementary financial help to those individual cases whose needs may not be fully met through the war veterans allowance program. Some people will say there is no sum of money that will fully compensate those who have risked their health or their lives in the defence of their country, and I would not deny this argument for a moment. The fact remains, however, that both disability pensioners and recipients of war veterans allowance are very much better off financially as a result of the adjustments over a period of time.

I can only say this, Mr. Speaker, that as to the future, the government intends to keep faith with these veterans. Under the policy already established, a review of rates under both plans would be made and if changes appeared to be required, legislation would be introduced in order to authorize any adjustments.

I want to say a word or two about the exceptional incapacity allowance. My good friend who moved this motion—we are quite good personal friends and I have known him for some ten years—asked the question this afternoon when he was talking about what the government had done for prisoners in other theatres than Hong Kong, and then he said that nothing whatsoever had been done. I asked about payment of the exceptional incapacity allowance. The initial review of the cases under the new legislation was completed in early January this year, and awards were made to over 1,000 pensioners, a number of whom were former prisoners of war. I do not exactly know the numbers at the moment, but there are certainly many among them. The amounts awarded vary between $800 and $2,400 per year. A 100 per cent pensioner who did not receive the award that he wanted in the first screening or was dissatisfied with the award made, may apply to have his case reconsidered.

Mr. Speaker, I am sure there are many people for whom the measures that have been taken are not enough, but I can only say that the measures that have been undertaken are in the right direction. I had the honour of chairing a committee which made recommendations on the basis of which I believe the legislation was drafted which came into this House. It is true that the initial recommendations of the committee were for higher ceilings, but we achieved a major breakthrough in the principle involving exceptional incapacity allowances. Those recommendations were designed to deal with the kind of thing which the hon. member for Simcoe North (Mr. Rynard) has talked about.

• (1700)

I should like to put on our *Hansard* record part of a news release. The release is dated today and is by the Minister of Veterans Affairs. It relates to three amendments to the War Veterans and Civilian War Allowances regulations. Hon. members may have noted that the first of these relates to the cost of living increase affecting Old Age Security and guaranteed income supplement. This will benefit some 46,500 veterans and dependents. It means that these cost of living adjustments are now exempt as income. This matter the hon. member for Winnipeg North Centre raised with the minister not long ago.

As I say, the benefit represents an increase for a single recipient of $2.70 a month and for a married recipient, if both partners in the marriage are drawing the guaranteed income supplement, of $5.10 a month. The new regulation comes into effect on April 1.

The second amendment removes the four-month restriction that previously applied to full time employment if earnings from such employment were to be considered as exempt income. A single recipient will now benefit by an exemption of $800 on his earned income regardless of the

duration of his employment and a married recipient will be entitled to a $1,200 exemption. The result of this change will be that those who are able to take advantage of this provision can now earn a total income, if single, of $2,732 annually or, if married, of $4,452 annually.

The minister announced today a third amendment which covers that small group of veterans who want to leave Canada and live outside Canada. Under existing legislation, they are obliged to apply for old age security benefits and the guaranteed income supplement, and these may, in some cases, make them ineligible for veterans allowances entitlements. At present, if they leave Canada, they lose their old age security and supplement in certain circumstances. They are not eligible outside Canada to receive war veterans allowances. The department is now—

The Acting Speaker (Mr. Boulanger): Order, please. I regret that the hon. member's time has expired.

Mr. Francis: Mr. Speaker, may I complete my sentence?

Some hon. Members: Agreed.

Mr. Francis: This amendment now permits those people, prior to departure from Canada, to replace income received through old age security with war veterans allowances and civilian war allowances, which may still be paid outside Canada. Thus they can leave Canada and take with them these allowances. They will not be deprived of benefits outside Canada.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I begin by commending my colleague for Simcoe North (Mr. Rynard) for bringing forward his most valuable motion, a motion which has brought about this debate on a matter of concern and compassion. He opened by making a fine statement that was full of feeling and showed himself to be a man of concern and compassion.

It is interesting to note, Sir, that our proceedings today began with a statement from one minister. He talked about employment opportunities and other programs concerning youth. The programs are not very satisfactory, but they are all that we have today. There is something significant about the concern of the hon. member. I am sure all hon. members here have had experiences similar to mine in dealing with the great problems that face us and that face, in particular, the two groups to whom we have referred. We know of the lack of jobs for many. This lack affects especially the young, and those who are well educated and well trained.

I am sure every one of us here has a dossier on young people trying to find employment. Day in and day out I am sure every one of us hears of the anxiety of our older citizens. At a time when tranquility, security and confidence should be theirs, they are fraught with anxiety, poverty and fear. Surely, these are appalling and shameful conditions. Someone said that the war on poverty may never have got under way and that the war on inflation was a failure. That war, however, found two victims, the unemployed man and the pensioner. In a great country as rich as Canada—and we can produce all sorts of statistics to show our national riches and national greatness—far, far too many people are living in poverty. We did not need the Senate Committee to demonstrate to us that which we already know. Many thousands of Canadians face insecurity and inadequacy in this great land. Living costs are accelerating all the time. Rents are going up; all costs are rising and the value of the dollar is shrinking, ever shrinking. For most of the people we have in mind today, there are no great unions, no powerful pressure lobbies, no pressure groups; those people are the victims, the silent, sad victims of a grossly mismanaged economy.

If we heed all the portents and read the report of the Governor of the Bank of Canada, we will see that this group is in for even more hardship, because that report shows that our failure in the war on inflation will soon bring its baleful results. As the parliamentary secretary suggested, those people about whom we are concerned have too often become footballs and their plight has too often been an area of neglect. It was one of the great indications of public disfavour when a former Liberal government fell after it had revealed a unique and cold lack of compassion. At that time the six buck slogan helped to bring to an end a government which had lost compassion and concern for the poor of this country.

Mr. Knowles (Winnipeg North Centre): Their last basic increase was only 42 cents.

Mr. Macquarrie: Mr. Speaker, the leader of the party of which I am proud to be a member does not possess outstanding abilities in the field of dramatic arts—except when he is at an NDP party.

Some hon. Members: Hear, hear!

Mr. Macquarrie: Although the Leader of the Opposition (Mr. Stanfield) may radiate less charisma than certain other leaders, it is obvious, as he has demonstrated, that he possesses much more concern than some others.

Some hon. Members: Hear, hear!

Mr. Macquarrie: He has made commitments to the people of this country. One of those is within the parameters of the motion we are discussing today. It was my hope, and I am sure it was the hope of the hon. member who moved the motion and moved it so well, to see every hon. member of the House giving his support to it. I had hoped the parliamentary secretary would say, "On an opposition day a motion has been moved which I and my colleagues and all other members in the House will support, so that word may go out to the poor and aged that the House of Commons is prepared to stand together on this one important subject." Of course, this step is not sufficient, but it would be one step, at least, and it would show that we are united and unanimous in supporting this just idea; for this is the minimum that we ought to do and it ought to have been done long ago for the people of this country. No pensioner should ever have been allowed to fall behind because of the outrageous neglect to include a proper escalator provision affecting pensions in a time of terrible and rising costs. No pensioner should have been denied such simple justice. Certainly, the parliamentary secretary, when he produced his statistics, could have indicated that pensioners would not be denied justice. That would have raised the status of this House in the

eyes of the people of Canada, because all would have seen that we believe in justice.

I listened to the parliamentary secretary's statistics, and they were interesting. I was reminded of the statistics my colleague, the hon. member for Malpeque (Mr. MacLean) mentioned. I remember his referring to a man who drowned in a lake, the average depth of which was 12 inches. Of course, there are all sorts of statistics that can be produced if one wants to go about the country self-righteously saying to the pensioners and the poor, "You never had it so good". Anyone who says that is putting a great strain on his own credibility.

Some hon. Members: Hear, hear!

Mr. Macquarrie: Mr. Speaker, there are hundreds of thousands of unfortunate Canadians today, and if you tell them they never had it so good, you will get a reaction that is far from positive, let me assure you.

• (1710)

This resolution covers many people; the old, those who require security most. Instead of that, they are expressing frustration and insecurity. It concerns the veterans. They are getting older and their job opportunities are diminishing. The costs of their daily needs are increasing. I say to the parliamentary secretary that he can put forward statistics all day and all night, but I know that thousands and thousands of these people are not getting enough. They must and should get more. Let us not monkey around with statistics.

If I had time, and I do not have time today, I could point out that there are countries in the world which do a far better job for their veterans than this country. One simple indicator is that the basic rate for veterans pensions in the United States is $5,400, almost $2,000 more than Canada's basic rate of $3,504. Let the government spokesman stick out his chest over that. Time and again we run across the problems of the widow with a young dependant who is not yet through university. The other day I received a call about a fine young man with just one more year to go to obtain his University degree, but his student allowance is to be cut off. Where does the widow turn? Some hon. members who spoke before me mentioned former civil servants and other groups who are bottled in and suppressed in an economic pressure tank. Something must be done for them.

One problem that has troubled many of us, again in connection with veterans, is the heavy backlog which faces the Canada Pension Commission. I think this is a fine group of civil servants, but they cannot cope with 1,000 applications a month and do justice to them. For months the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) has been appealing for additional help for the Canada Pension Commission to get through the backlog. As these veterans wait, they are not getting any richer or any younger. They are not getting action. Some of them are dying. This is the kind of thing a government of compassion would do.

There is no shortage of personnel when the government wants to expand the office of the Prime Minister (Mr. Trudeau). Surely, a few can be found to assist the Canada Pension Commission. This is a very serious question in every part of the country, including my own. The parliamentary secretary may represent an area where everybody is content with what they get and happy when told that they are getting more than ever before. However, I have received statistics from what should be called the Dominion Bureau of Statistics but what is now called Statistics Canada. These indicate that in the city of Charlottetown, a place for which for many years it was difficult to get precise statistics, the cost of living has increased from January 1969 by 11.3 points in comparison with 6.4 for Saint John and 3.8 for Halifax.

When we ask why Prince Edward Island is excluded from the increase in feed grain subsidies, no one even bothers to give us a reply. When we talk about the transportation problems which increase the cost of living, we discover that there were 29 increases in freight rates in eight years. There is a lack of sensitivity, a lack of compassion and a lack of concern. Surely, it is the government's role in a society like ours to be the friend of those who need friends, those who suffer from the economic system most.

We talk about regional disparities, but surely disparity between groups of citizens must also be looked after as a number one priority of the government. I call upon those who momentarily occupy the seats of office in this country to take note of the wise, thoughtful suggestions contained in this motion and the compassion restraint and moderate tones with which the very eloquent, dedicated member who moved it suggested they be accomplished. The government should transcend politics for once and allow the old, the dispossessed, the poor and the struggling to see the House of Commons at its best.

Some hon. Members: Hear, hear!

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, we have made our position perfectly clear with regard to this motion. We intend to vote for it.

Some hon. Members: Hear, hear!

Mrs. MacInnis: We realize that its intent is to help the old people of this country and those retired people on pension. To this extent, we favour it. However, we want to point out that between the intent and the effect there is a big difference. To merely put an escalator clause in effect at this time would do very little to rescue the elderly people from the strait jacket in which they find themselves. Nothing can rescue them from that except a revision of the basic pension.

My colleague, who more than any other man has the right to be called "the pensions advocate of the House of Commons", has already outlined the three elements which are essential in determining a basic pension. First, it should be set in relation to the cost of living. Second, it should be set in relation to the productivity of the country and, third, in relation to the standard of living prevailing in the country at the time. The escalator clause is the final feature which is necessary on top of such a basic pension. It makes sense.

I wish to refer to a letter which I recently received from an old age pensioner in Vancouver. I quote:

We got notice recently of a projected raise of 2 per cent but which will not take effect for us till May 1st, 1972. The raise mentioned was not only ridiculously low but why mention it so far ahead when they are nearly 30 per cent behind in the cost of living index now.

I suggest to the hon. member for Ottawa West (Mr. Francis) that the elderly people in this country are not being taken in by his dextrous use of figures with regard to the cost of living and the escalator clause. The hon. member said there were a number of occasions when there had been a raise in the basic pension. Yes, the old age pension in particular has been raised on those occasions when it became politically dangerous not to do so, but never has the old age pension been set in relation to those factors I have mentioned. I challenge members on the government side to tell us what studies were made into any of those factors in setting the basic old age pension at any time in its history.

The hon. member for Ottawa West also referred to the fact of the government adopting the policy of discretionary adjustments. I think he may have been referring to veterans' pensions at that time. The party to which I belong is not at all enamoured of the way discretionary adjustments work in the hands of the government. We want a fair basic pension as a matter of right, one which cannot be tampered with or denied. That is the only kind of pension that is any good to the retired people of this country.

Our position on this matter is that at the present time pensions should be fixed at $150 a month or $1,800 a year for a single person. That is still well below the poverty line worked out in 1969 according to the Bureau of Statistics. At that time the poverty line for a single person was set at $1,894 and for two persons at $3,157. If that was true in 1969, then, judging by the way in which the cost of living has risen since that time, the figure of $150 is too low. Our only reason for proposing it is that we felt we had better ask for a figure at least in the same stratosphere as that which the government might accept.

• (1720)

Spokesmen for the government tell us the country cannot afford an increase at this time. The best and quickest answer to that assertion was given by the hon. member for Simcoe-North (Mr. Rynard) when he told the House that at the end of 1971 there were $639 million in the old age security fund. He added that this money had been contributed by the elderly people of this country and that to leave it where it was, undistributed, while making excuses for not paying decent basic pensions at a reasonable amount, was cheating them. Yes, it is cheating them and deceiving them as well. As long as we have this sum of $639 million in the fund, we have no possible justification for saying we cannot afford an increase.

The old people are not stupid. They do not believe the nation cannot afford an increase. Expenditures in connection with the *Bonaventure*, the Avro Arrow and other things were mentioned this afternoon. I want to say, as did the hon. member for Simcoe North, that no difficulty was encountered when it came to raising the pensions substantially of members of the House of Commons and of the Senate. I voted against that particular measure and I have the distinction of belonging to the only party in this House which voted against it. I think this is well worth recalling when we are considering whether or not we can afford the kind of action I am urging.

In the next two or three minutes I want to let the old people speak for themselves and give their own views about living on an old age pension at this time. I have no doubt that members in all parts of the House can produce similar letters. Here is one from St. Léonard in the Province of Quebec:

Dear Mrs. MacInnis:

I wrote you last June about my pension troubles down here in our Belle Province. At that time I told you that my wife and I were getting $135 per month between us in my old age pension and supplements plus $14 per month from Quebec, between us, for medicines. My wife is only 64, so she gets no pension. She needs new glasses and her spinal brace fixed. I attend the hospital every month for blood tests and a check-up as I suffer from heart trouble and hardening of the arteries in my legs. We were getting $149 per month. In August, 1971 my $14 from Quebec was stopped. They said we were getting too much. I was getting my medicines at the hospital at cost price but on January 1, 1972 they stopped it on the grounds that the government was not helping them enough to meet the cost. Medicine now costs me an average of $14 per month. I wrote to Mr. Munro in Ottawa. He referred me to Quebec, so I wrote to Mr. Castonguay. He referred my letter to the local office in Montreal and they sent me and my doctor more forms to fill up. But that is months ago and I guess they are still studying them yet. I have been to see them as I had my bottom teeth out in February, 1971 and I need new glasses, which they say they will help me pay for. But I am still waiting, both for teeth and glasses.

Enclosed is a letter I received from the welfare office. I wish you could read it out to Mr. Trudeau and ask him whether this is his idea of a just society.

I shall be very glad to read it to the Prime Minister (Mr. Trudeau). He may find it in *Hansard*. This was the response from the authorities in the Province of Quebec:

Your needs were established as follows: food, clothing, personal necessities, $76; cost of room, $50; for a total sum of $126 per month. As your income from the old age pension is $135 monthly, you have an exceedent of $9 per month for your ordinary needs. However, if you need medication exceeding $9 a month for you and your wife, or a set of artificial teeth, take an appointment with your social security agent at your local office as soon as possible.

Instead of getting annoyed and saying that the Quebec authorities are failing to provide adequate supplementary benefits, and that sort of thing, I shall say that we, in this federal parliament, are squarely responsible for not having provided an old age pension which would have covered this man's needs adequately, and for not having reduced the pensionable age to 60 so that his poor wife could have adequate treatment for her dental and medical needs. The way we treat the old people is disgusting. Like the hon. member for Selkirk (Mr. Rowland), I am getting fed up with a government which sits smugly opposite and talks about how much better it is here than in Timbuctoo or other far off regions of the earth and does nothing to take the money which has accumulated in its coffers on trust for these people and use it to give them a decent pension.

Here is a short letter from Montreal:

We live on a basic pension of $80. We had an increase of $42 a few years ago.

Mr. Knowles (Winnipeg North Centre): Forty-two cents.

Mrs. MacInnis: Forty-two cents.

The cost of living is continuously increasing. Rents have increased

as well, due to taxes. Of course, Trudeau is a millionaire. He does not know what it is to eat only one meal a day. I am sure he has never put his foot inside a food store. After we have paid the rent, light and phone there is not enough left for food, so we cannot afford more than one meal a day.

These are conditions which are duplicated many thousands of times over. The old people of Canada are sick and tired of inquiries, committees, task forces and white papers. They want a chance to live their last few years in a modicum of decency and dignity.

I want to read a letter, now, from my home city—it happens to be in the riding of the hon. member opposite: for Vancouver Quadra (Mr. Deachman):

> The powers that be would be well-advised to hire a few old pensioners to steer things straight as there are a lot of brains among them lying dormant. Nobody pays them any attention, but they raised, fed and took care of you people without too much help other than their own make-do. Now we are old and have done our work, and in most cases we made a pretty good job of it. What do we get? The brush-off. How can any two people live and get the right care on $250 per month? We don't drink, smoke, drive a car or go anywhere for pleasure. Sure, we own our own home, but we have to provide fuel and food and sundry supplies such as transportation, drugs, clothes, glasses, hearing aids, etc, with no reserve money saved up for emergencies. Then we must keep our home in repair and replacements up to working order, attending to garden, lawns, taxes, painting and general upkeep on no extra money.
>
> An average pensioner couple such as we are cannot possibly do all this on less than $350 to $400 per month, but this is what we would be obliged to do if we rented, and bought the other commodities over and above rent.
>
> The 11 per cent sales tax prevents us buying building and upkeep materials, so we do without and more or less let the property run down, not even protecting our investment up to a saleable condition. I do not think it would be an impossible job for the government to pay this extra pension.

Wait until they learn about that $639 million in the old age security fund. They will certainly not have any doubts then as to whether it is possible for the government to pay higher pensions. I read again:

• (1730)

> The causes for being in these circumstances now is the result of past government actions as outlined above and government today is still on the same track of procrastinating to the detriment of the many by so few.

The days of procrastinating on the part of this government are coming to a close. No matter when the election is called, I want to warn the government that there are well organized pensioners across this country who know the facts, who know there is money for all the things for which the government wants to find money, who are determined, if the government will not give them a fair break, to retire the government on pensions which unfortunately are far too adequate when compared with the pensions received by the old age pensioners who are now suffering in the cities and across the countryside of Canada.

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I cannot tolerate that the situation of the Canadian people be made as appalling as some opposition members would like us to believe.

The weakness of the non-confidence motion introduced today lies in a series of most important omissions. Mr. Speaker, it is unfair to have the Canadian people believe that this government does not deal with poverty in Canada.

Mr. Speaker, it is unfair to have the Canadian people believe that this government does not look after older people. It is unfair also to have the Canadian people believe that this government does not care for the underprivileged.

This government has published a white paper on income security for Canadians. The opposition members should be aware of that paper. It should be their Bible, so to speak, their bedside book, and having heard what some opposition members had to say this afternoon, I feel they must get acquainted with it. I intend to send it to them because I think that either they pretend to know it or, simply, they do not.

It must be stressed that the income security programs in Canada can be applied and remain useful only under a flourishing economy and price stability. Unless the system affords most employable individuals an opportunity to exercise their basic skills profitably, the national resources required for funding income security will fall short and our country will be deprived of the necessary means to help those who cannot contribute, wholly or partially, to the endeavours of the working population.

Now the government's white paper lays particular emphasis on the considerable number of income security programs which are based at present on a continuous improvement of economic growth during the last 50 years.

Our objectives are twofold: first a guaranteed income, and then the maintenance of income.

The guaranteed income reduces insecurity, temporarily alleviates financial difficulties and prevents or decreases poverty for most citizens who may expect to be part of the active population.

On the other hand, the maintenance of income is intended more directly for poor people because they cannot be part of the active population for various reasons beyond their will.

The white paper studies priorities in the light of modern problems. One of these is the existence of several important groups of people who lack resources and opportunities compared with most of their fellow citizens. Among these we find, naturally, the aged, who were discussed today, female heads of families with dependent children, the disabled and the working poor. I must say that the situation is particularly serious for female heads of families.

Now, simultaneously, some income protection programs are being increasingly criticized because they are universal. Still, they benefit all Canadians regardless of income and, in some cases, considerable amounts of money are paid to people of amply sufficient means.

Mr. Speaker, here is the challenge the government must now meet in its program: it must formulate a new income security policy that would allow assistance to those in greatest need of it, while respecting what other programs

are intended to stimulate the economic development on which our present social welfare system is based.

Mr. Speaker, we must now concentrate our efforts on the fight against poverty. All hon. members will surely agree with me that this must be done in such a way as to allow the greatest possible concentration of available resources in aid to those whose income is the lowest. In every possible instance, selective payments, based on income, must be substituted for universal payments which do not take into account the real income of the recipient.

Moreover, social insurance programs should be extended to areas of prevention or reduction of poverty. The result should therefore be a more stable income basis for families and individuals, and in particular for older people with low income.

Government research on the ways to reach the objectives of this new policy has been very complete and has taken into consideration the opinions and the views of various groups, especially the criticism against existing programs.

The arguments in favour of a single guaranteed income system that would replace all existing income security programs have been studied in depth. Very few programs now carried out can be eliminated without causing grave prejudices to a number of people. The old age security pensions as well as the veterans pensions cannot be put aside at present. Furthermore, we think that a complete plan with adequate payments would be extremely burdensome. Nevertheless in the white paper the Canadian government has made proposals to extend a selective form of guaranteed income.

In our opinion the best way to offset the drawbacks of the existing system is not to replace our programs by a comprehensive guaranteed income plan, as some opposition members have suggested. It seems to us that the best way to do this is to review the guidelines for income security, to reassess the priorities and the scope of our plans and to find a kind of plan which will best enable us to achieve our main goals.

Our century, Mr. Speaker, has rapidly become the century dedicated to the well-being of the individuals. And it seems curious to me that today, through the motion that has been introduced, members opposite pretend not to realize that the government is bringing the utmost attention to this.

• (1740)

For the past ten years, in fact, the federal and the provincial governments have implemented a whole set of welfare measures to ensure a minimum of security for Canadians and for older citizens in particular.

The progress made indicates a real revolution in comparison with the previous situation. Let us remember the darker days of the economic crisis of 1927, when citizens had to fight alone to secure their daily subsistence.

It used to be that you had to ensure your security and subsistence for your old age. Now, governments take care of that for the citizens.

Programs such as medicare, hospitalization insurance and unemployment insurance protect the citizens against the prohibitive costs of illness or loss of a job. Other programs including family allowances, social welfare, old age security pension and its supplement, aim at guaranteeing income security.

The best part of these social measures is borne by the federal government which earmarks one quarter of its yearly estimates for social security; in other words, 25 cents of every tax dollar is allocated to social security.

Welfare programs have been so expanded and diversified that they require constant updating and adaptation to modern changes. Indeed, the hon. members who moved this motion today intended to question some of our measures. I do not blame them for that, but I think it is strange that they do not take the opportunity of pointing out what the present government is doing precisely to help our senior citizens and those who are most underprivileged in Canada.

The federal government's white paper in particular made a great deal of the fact that we have to fight poverty. It is in this spirit that the government implemented its welfare measures. It is really inacceptable that in a society as affluent as ours, compared with several other countries of the world, there should still be people who lack the basic necessities.

No government is working with more energy toward eradicating social injustice and inequality in Canada than the government led by our Prime Minister (Mr. Trudeau). The just society is not only a slogan. It is made more and more real everyday to the benefit of large families, elderly people and invalids.

Canada, which is recognized as having probably the best welfare system in the world, constantly tries to keep abreast of social progress.

I can say that from the cradle to the grave, the Canadian citizen can reckon on government's assistance to provide him with financial security.

And I do not think any class of society matters more in the eyes of the present government than those people who have to leave the mainstream of active life when they reach retirement age. More than anyone else, those people are entitled to a modicum of comfort and security.

Since today's world is centered on youth, it is often difficult to integrate the aged into the modern community. Though we must assist the young generation, we should not for all that neglect those who, through their work and devotion, have contributed to build the present.

Through the old age security plan, every senior citizen is entitled to a basic pension of $80 a month. Over the past few years, this plan has undergone major changes. The age of eligibility for a pension has been gradually reduced by the government from 70 to 65. Basic benefits have gone from $75 to $80 a month.

However, knowing that this income would not be sufficient for the needs of the elderly, considering the rise in the cost of living, the Canadian government initiated another old age security plan, the guaranteed income supplement. Added to the initial pension, and subject to a means test, this supplementary pension, which amounted originally to $31.83 a month for single persons and $63.66

for aged couples, has increased to $55 and $65 respectively.

These changes now enable a pensioner to draw a minimum monthly income of $135 instead of $113.61.

At the present time, 1,750,000 citizens receive a basic monthly pension of $80. It is estimated that some 470,000 individuals will draw the full amount of the guaranteed income supplement and that 550,000 others will receive partial benefits. This means that about 60 per cent of people over 65 will benefit from that program.

I think I should point out, Mr. Speaker, that at the present time the recipients of the old age pension alone or of the old age pension combined with the guaranteed income supplement already obtain tremendous assistance from the Canadian government. Their minimum income will be greatly increased when they begin to receive benefits under the Quebec or the Canada pension plan.

I would like to say in conclusion, Mr. Speaker, that one million aged couples are directly receiving a guaranteed annual income of $3,060 from the federal government. It can be considered as a minimum protection but is undoubtedly a complete reversal of the conditions a few years ago. I believe that we can look to the future with optimism because, as retired persons will be receiving benefits under their pension plan and the government will be continuing to improve its pension plan, our senior citizens will certainly be drawing better incomes as they deserve.

[*English*]

Mr. F. J. Bigg (Pembina): Mr. Speaker, I am very pleased to support this motion. I was questioned by the Postmaster General (Mr. Côté) who spoke from his seat a few moments ago while the hon. lady from Vancouver-Kingsway (Mrs. MacInnis) was speaking. He asked whether I was a socialist because I applauded the hon. lady for supporting this motion. One does not have to be a socialist to have regard for the old folk. Surely every Canadian has regard for the old folk. As a member of the Conservative party for the last 14 years, I am very proud that our party has been foremost in thinking about the welfare of the older people. I am only sorry that the income of our older people has never been brought up to the level at which I think it should be. This does not make me a socialist.

Mr. Speaker, I wish you would discipline the Postmaster General, who insists on interrupting my speech. He apparently has nothing to contribute to the debate, but still insists on interrupting.

Mr. Côté (Longueuil): Why don't you answer me?

Mr. Bigg: I do not think it is necessary.

• (1750)

[*Translation*]

The Acting Speaker (Mr. Laniel): Order, please. I suggest that hon. members should give the hon. member for Pembina (Mr. Bigg) the opportunity of making his speech and in due course they could in turn ask questions. Obsiously, the hon. member who has the floor has the privilege of making his remarks without being interrupted; he is not even obliged to answer questions when they are directed at him when he has the floor.

Mr. Côté (Longueuil): On a point or order, Mr. Speaker.

In my opinion, the hon. member has talked about a question which I asked him; I can assure him that that question will not appear in *Hansard*. However, I would ask him to tell me what answer he gave to my question.

The Acting Speaker (Mr. Laniel): I must admit that the point of order raised by the minister is unfounded and, in my opinion, the best thing to do is to let the hon. member begin his remarks at least. During his speech, the hon. member could decide whether he will allow the minister to ask him a question.

The hon. member for Pembina.

[*English*]

Mr. Bigg: Mr. Speaker, I can understand the minister's desire to cut short my speech, because in the 15 minutes at my disposal what I say will not necessarily be complimentary of the government.

I was speaking of the necessity of raising the old age pension for our senior citizens. I point out that this has nothing to do, I hope, with party politics. The question is whether our senior citizens are entitled not only to the gratitude of the Canadian people but to be paid the money which they have already put into the fund. I think the point has been clearly established that in fact we are not giving them anything; we are merely custodians of a very large fund which has been put aside to look after them in their old age. They are entitled to this money and I suggest that now is a good time to give them that to which they are fully entitled.

Not only old age pensioners are referred to in this motion; there is also the question of federal government pensions. I am affected personally in this regard and hope I will be allowed to comment on the subject. There is no fairness, and there never has been, in the way federal government pensions are handled. Anyone who has served the federal government, and through it the people of Canada, should have equitable treatment. If I had time to go into cases I would explain my own case.

Hon. members might be surprised to know that one could work in the civil service during peacetime, take a job during wartime, for example in the mounted police so that one was not subject to military service, go back to the civil service after the war, and all this service would count for pension purposes. However, in my case and in the case of several others this was not the situation. The lobby on this matter is very small and I have hesitated to raise it. I do so now because it is well worth looking into. I should like to know when this question will be considered without the necessity of lobbying.

Four, five or six people are affected in this manner. When you ask the government to look into these matters they say it is impossible to go back beyond a certain date; if your pension has not been calculated to a certain date it is impossible to go back beyond that date. I do not think that is justifiable. I think it is unfair. Adjustments have been made in respect of pensions, but what kind of adjust-

ments? Pensions are usually adjusted on a percentage basis; therefore, if you are receiving $10,000 and there is a 10 per cent increase, you will receive an extra $1,000 a year. But if your pension is $40 a month, you get an increase of $4 a month which certainly does not lift you above the poverty level.

This kind of thing is unfair. This is not a question of petty politics at all. I am asking for equity and I hope that all parties in the House and all governments are interested in seeing that there is equity. It is no excuse for a government to say that equity cannot be given. Of course it can, and this House has the power to give it. If this House knows that inequitable treatment is given to civil servants, members of the mounted police or members of the armed forces, it is not only right but it is our duty to see that the inequity is eliminated. I should like to see justice done in this respect—and not only because I am personally involved.

Perhaps I have been delinquent in not taking up the case of the four or five people who are not able to stand in the House and speak. I am privileged to speak for myself, but I am not doing only that: I am begging that these matters be considered. They are well known to the authorities, to the civil service and to the mounted police. It is well known in every corner of Canada that people unfortunate enough to have retired 20 or 30 years ago receive a miserable pension which means they are living well below the poverty level. They are not in a position to come here and beg. I think it is my duty to raise this question. We have an army of civil servants in this country numbering hundreds of thousands. They should be interested. I beg them to look into this matter and bring forward recommendations so that these inequities can be corrected.

A few days ago we heard in the House about the magnificent treatment we are giving our veterans. I am happy at the steps that have been taken so far but I remind the House that it took us 26 years to do something for the Hong Kong veterans. Again, I take a personal interest in the Hong Kong veterans because I was there when the Winnipeg Grenadiers arrived in Winnipeg on their return from Hong Kong. I have sat in the veterans affairs committee and heard people ask what proof we have that these veterans are sick—because they have no wounds, no bullet holes! I carried off that train men who weighed 85 pounds and who when they joined the army weighed 185 pounds. What more proof do you need?

It took us 26 years to give them equity. It is suggested that we should be satisfied because we made it possible for them to receive a 50 per cent pension. I do not think we should be particularly proud of that, not after 26 years. It should be a 100 per cent pension for everyone who wants it, and certainly for everyone who needs it. These men have made heroic efforts to remain fully employed. Those boys who came back from Hong Kong were carried off in our arms, like babies, some of them blind. They made a wonderful recovery and I venture to say that for a great many of them the record is magnificent. They have gone back to Canadian public life, to the firms for which they worked, to the woods and to their farms, and to the best of their ability they have been 100 per cent productive. But they have done it with broken bodies.

It turns my stomach to hear anyone in the House or in the media say we have done a magnificent job of rewarding these people. I heard one hon. member here—I will not mention his name—point out that some of these fellows are getting $13,700 a year. That is a lie. He took the worst cases, people who are paraplegic, blind and without hope, added together the cost of their hospitalization and the miserable pittance their wives are receiving—wives who have spent 26 years nursing these hulks of humanity—and said we gave them $13,700 a year. This is about half what we get. And we call it magnificent! I do not want to call it a disgrace, and I know there is a bottom to the public purse—

The Acting Speaker (Mr. Laniel): Order, please. I must interrupt the hon. member. It being six o'clock, I do now leave the chair until 8 p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Bigg: Mr. Speaker, before six o'clock I was speaking about the Hong Kong veterans and the need that many of these men still have in spite of recent improvements to veterans legislation. In 1971 we in the veterans affairs committee were satisfied that we had finally given the old section 70, the benefit of the doubt provision, a new look. We have been assured that the benefit of the doubt will in fact be given to veterans. I am not at all worried about veterans abusing this section, particularly the Hong Kong boys who have done all they can for themselves. I believe the next move is up to us. Having got them to the 50 per cent level, it is up to us to consider the possibility of their needing a 100 per cent pension.

Over the years the compensation given to soldiers has been the same. The bench-mark has been the wage level of a labourer. We have never taken into account the special skills that a man had. Take the case of a professional pianist. He is not compensated at the level of his ability to play the piano. If he loses a hand, or both hands, he is compensated strictly at the labouring level. In the year 1972 we are still paying our veterans at the labouring level, but in effect we are not paying the full average wage of a labourer in Canada. I suggest that the level is now $5,000 or $6,000, the wage that is paid to the ordinary manual labourer, the cleaner on the Hill, the person who works with his muscles.

I know the taxpayer's pocket is not bottomless but I think we should live up to the agreement we intended to carry out in the first place, namely, to compensate our veterans according to their physical disability. If only that principle were followed I am sure the present level of veterans pensions would be shown to be far below the level of that which should be expected of a generous country such as ours. I do not want to draw comparisons with other countries, but I believe we are capable of giving our veterans a higher level of compensation. One may ask where we will get the money. It is a question of priority. I cannot think of a higher priority than paying

adequate pensions to the people who defended our country and enabled us for the past 25 or 26 years to enjoy the second highest standard of living in the world.

Many veterans become unemployable as they get on in years. They are incapable of maintaining themselves at a reasonable level of health. This is where section 70 should apply, particularly in respect of prisoners of war and men who have psychosomatic problems. As a modern nation we realize that psychosomatic problems can be just as damaging as physical wounds caused by gunshot.

We have made great strides in improving veterans legislation. I am proud of the strides we have made but I do not think we can sit back and say we have done all we can. Until we use the benefit of the doubt rule completely and take the soldier's word that he is suffering because of what happened to him during war, we cannot be completely fair. From personal experience I know that the best soldiers very rarely went sick. They do not have documents to prove every time they were sick. Most of the time they never went sick even if they had pneumonia or flu. I have seen in the front line men covered with boils, a very terrible and dangerous condition which can lead to complications. These men stayed in the front line and fought. They should have been hospitalized, but they would not leave their buddies. They have no documentation to prove that they were sick, but the result of their neglect of their bodies for our sake followed into the post-war years. Some of the Hong Kong veterans—

• (2010)

Mr. Deputy Speaker: Order, please. I regret having to interrupt the hon. member, but his time has expired.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, having been advised of what many members of the opposition had to say about pensions this afternoon, I thought it would be helpful if I dealt with the policy considerations underlying the proposals already adopted by the government and the proposals that we have formulated for the future approval of this House. When I read what many members of the opposition have to say about pensions and how they would treat them, there seems to be a continuing determination not to resolve the philosophy that they ultimately wish to adopt in this whole area. I am referring, of course, to their remarks with regard to the guaranteed annual income while at the same time talking about increasing universal payments to everyone irrespective of income. In its simplest terms, this seems to me to point up a contradiction and a failure to come to grips with the policy that can best be adopted to help those in need of assistance.

As many hon. members know, the reasoning behind our income security proposals to date has been based on three techniques designed to assist people, to provide for their security and to prevent them from living in circumstances of deprivation. First, of course, is our social insurance scheme. I am referring particularly, in the income security context of pensions today, to the Canada Pension Plan. This is contributed to by people in the work force for protection upon their retirement as well as the premature death of the breadwinner. We have orphan benefits and survivor benefits of this kind. These programs assure Canadians of additional protection.

I do not think anyone would argue that no matter what technique we move to in the future, whether it be toward the guaranteed annual income or the annual income technique such as in the guaranteed income supplement, we will always require social insurance schemes like the Canada Pension Plan. This plan provides protection for those in the work force who are earning wages which mean they are well above the poverty level, but they must have the protection that in the unfortunate eventuality of the premature death of the breadwinner or the retirement of the wage earner they will not have to use up all their savings and then fall into poverty. They will always have this protection. Whether we have a guaranteed income or anything else for those in the lower income group, we will always require the Canada Pension Plan. Therefore I think we can safely put that policy on the shelf in terms of any tinkering around with it, but certainly we should consider improving it and recognize the necessity that it be continued.

The next technique we have for income security is the demogrant, the universal payment that we all know—the old age security, the $80 a month that many members of the opposition have spoken of today, and family allowances. The third technique we have in terms of dealing with income maintenance and income support programs is to combine these programs with social services. We are doing that under the Canada Assistance Plan. These are the three main elements. There is the social insurance that we have had in the past and will need in the future, the demogrant of old age security and FISP, and then social services.

I should like to deal with demogrants. As a government, we have obviously decided that in terms of bringing money to those who need it in waging a successful campaign against poverty we must change from making universal payments to everyone, irrespective of income, to a selective technique. We must have an income test—I call it a guaranteed income technique—applied to what was previously our universal demogrant program of old age security and family allowance. We are doing that now and we have done it with respect to our aged with some very beneficial results. These are the three main areas. Social insurance we are going to improve, demogrants we are changing to a more selective technique to get more hundreds of millions of dollars to those who need it, and a strengthening of services to those in need, under the Canada Assistance Plan.

Before getting down to specifics about what we are doing in each of these categories I should like to refer to the NDP position relative to pensions for our senior citizens. If I am correct, this afternoon the hon. member for Winnipeg North Centre (Mr. Knowles) referred to the universal aspect of this question. Perhaps the New Democratic Party will have an opportunity to reply later this evening. However, it would seem that the hon. member would do away with the guaranteed income supplement as a technique to deal with our senior citizens. He would seem to say that we should follow the old age security route, the $80 a month that is paid to each of our senior citizens, and increase that to $150 a month applied across the board to some 1,700,000 Canadians. No matter whether they were in destitute circumstances or were millionaires, they would each get $150 a month.

When you start making universal payments to everybody, for each $10 increase in old age security it costs an additional $200 million per year; that is, raising it from $80 to $90 adds $200 million, from $80 to $100 adds $400 million, and so on. It is easy to figure out what it would cost in one year to raise the old age security from $80 a month to $150 a month for everyone in this country who is entitled to it. If we brought in the necessary measures in terms of taxing people in order to obtain that additional revenue—we would presumably have to tax to get it because we are already running a deficit, as opposition members constantly remind us—what would be the position of hon. members opposite? Would they favour, in one fell swoop for this category of persons, an allocation of upward of $1½ billion in one year, fully realizing that there are in this country many people other than our senior citizens who are in dire need? That does not seem to be a practical approach, especially since many people who argue that we should make universal payments talk at the same time about the guaranteed annual income.

• (2020)

I know that the hon. member for Winnipeg North Centre (Mr. Knowles) did not specifically refer to this in his speech this afternoon; I do not think he got around to the guaranteed annual income. Nevertheless, many people argue, in favour of universal payments being made regardless of income—and of course when you talk about $150 a month you are talking about an attractive package—and argue at the same time in favour of a guaranteed annual income. I ask, what do they mean when they talk about a guaranteed annual income in this country? That is a technique that one uses in order to bring into play the principle of selectivity so that you provide resources to those most in need. In essence, that is what the guaranteed income is, and in that case you apply an income test. You can arrive at it through a negative income tax or you can pay it out universally and get back what you have overpaid through the tax system, or you can apply an income test before the income is paid out, which in essence is what we do with the guaranteed income supplement.

Whichever way you go about it, and disregarding for a moment what you mean when you talk about a guaranteed annual income, there is no doubt at all that you will do this through a selective method because you will also determine in some way how to provide resources to people who need them most. So there is a blatant contradiction in the argument of people who advocate universal payments on the one hand and the guaranteed annual income on the other. I think such people should be forced to reconcile their positions. Which road do they want to travel?

I would seriously argue, and I do not think anyone who thinks about this will disagree with me, that we just do not have the resources to adopt the universal technique and cope adequately with poverty in this country. The white paper on income security that I brought out some time ago indicated that if we were to adopt the guaranteed annual income technique for all Canadians and provide them with an income even at the poverty levels recommended by the Economic Council, the cost would be between $1.5 billion and $2.5 billion over and above what we are now spending.

Furthermore, roughly 30 per cent of the federal budget at present is being spent in this entire field. I point that out and ask those who talk in terms of universal payments and guaranteed annual income to come to grips with facts, because how can one reconcile the positions they have taken? Would they, for instance, recommend that upward of $1.5 billion of additional funds be spent on senior citizens and recommend as well that between $1.5 billion and $2.5 billion be applied to other Canadians who need assistance? It seems to me that we are talking about staggering amounts of money.

One must remember, also, that the government is faced with criticism emanating from the Economic Council, various commissions and Senate committees which have gone into the question of poverty. Time after time we hear it said that a very great part of our resources is going into our income security system but that the money is not reaching those who need it most. People talk in terms of universal payments without at the same time explaining where we are to get the money. They talk about universal payments without at the same time indicating how they are prepared to reconcile that position with the guaranteed income technique.

Having said that, I should like to say that in this whole area, and especially in the area of the senior citizen, the government's record is one of which we can be justly proud. In 1957 the old age security pension was $56 a month. The Diefenbaker administration took over in 1957. That administration lasted to 1963. It raised the $56 to $65 per month. That represented an increase of $9 over a period of about six years.

When the Liberal government took over in 1963 the pension was $65 per month payable at age 70. We increased that amount considerably and brought in the guaranteed income supplement. In 1966 we introduced into the system an additional $30 per month through the guaranteed income supplement and brought in for the first time—no government up to that time had done this—the cost of living escalator of 2 per cent a year which was to be paid on top of the pension. Approximately one year ago we brought in the second biggest increase in the history of Canada in the guaranteed income supplement. We brought that $105 figure up to $135 for a single person and up to $255 per month for married senior citizens over the age of 65.

I might add that during this whole period we gradually lowered the eligible age from 70 to 65. I am advised, and I concur in this advice having done some research into income security systems for senior citizens in all other countries of the free world, that no plan of any country in the free world provides the protection for senior citizens that our plan provides for our senior citizens.

Some hon. Members: Hear, hear!

Mr. Munro: I have not referred to the strengthening of services that we provide for our senior citizens through the Canada Assistance Plan. Many hon. members may be aware that under cost-sharing arrangement whereby we share 50-50 with provinces the costs of certain services we also share costs with respect to the provision of many

ancillary services for our senior citizens. Some of the provinces are providing drugs for our senior citizens, especially those on GIS. We are paying half those costs.

Many social and rehabilitative agencies throughout the country have been set up to help our senior citizens and we share in the cost of that service. We help in that area, to say nothing of the help we provide with hospitalization and medical care coverage. In that area we pay roughly 50 per cent of the cost to the provinces. Many of our senior citizens who are on GIS are supplied by certain provinces with hospitalization cards, with no premium required. I am talking about the provinces which cover their half of the costs through collecting premiums. As I say, we pay for half of these services. All these supplementary services are being made available to our senior citizens. I do not think any country does better than Canada in terms of assisting senior citizens. I have not mentioned the many millions of dollars—and these expenditures are increasing each year—spent on housing through Central Mortgage and Housing. In that way we are providing homes for our senior citizens throughout this country.

So when you look at the whole complex of policies designed to assist our senior citizens, I think the Canadian government and the people of Canada can justifiably be proud. We have evolved policies; we have shown originality in that field. Although we are spending in excess of $2 billion a year on our senior citizens, the money is well spent. Our older people are guaranteed a minimum income floor, and supplementary services made available through the Canada Assistance Plan are improving each year.

I also want to talk about the escalator aspect. When we gave all those receiving the guaranteed income supplement the right to an automatic 2 per cent escalation in pension payments, we achieved a breakthrough. Some members of the opposition thought so too. When people talk about people receiving $80 a month they are talking about those who receive only the old age security pension. If somebody receiving the old age security also qualifies for all or part of the guaranteed income supplement, the 2 per cent escalation applies to the whole amount, to the OAS portion as well as to the guaranteed income supplement portion. Approximately two-thirds or our senior citizens are receiving all or part of the guaranteed income supplement, thus two-thirds of them are receiving the 2 per cent escalation.

Mr. Knowles (Winnipeg North Centre): Is it not 55 per cent?

Mr. Munro: Upward of two-thirds are receiving it. My figures indicate that almost one million citizens are receiving the guaranteed income supplement.

Mr. Knowles (Winnipeg North Centre): The minister tabled figures on Monday showing that proportion to be 55 per cent.

Mr. Munro: We can argue about the figures later. When we talk about people not benefiting from an escalation feature tied in with the cost of living, I hope we realize that upward of one million Canadians who are receiving the guaranteed income supplement are receiving the escalation. The reason we arrived at the 2 per cent figure when it was brought in in 1966 is that when we looked at the history of the previous ten years we saw that the average cost of living increase was 1.5 per cent. I would also point out that if the cost of living should go up by more than 2 per cent in any particular year and the increase is only 2 per cent, if the cost of living increase should be less than 2 per cent in the succeeding year that short fall can be applied to pick up the overage from the previous year. It is proving to have the tendency to keep reasonably in line with increases in the cost of living.

• (2030)

Mr. Knowles (Winnipeg North Centre): We have been waiting a long while for a gap.

Mr. Munro: I point out that in addition to this complex of policies for our senior citizens we have the Canada Pension Plan that was brought in by a Liberal government. We have recommended many changes that will improve considerably the protection of our people under the Canada Pension Plan which in many ways will be over and above the policies I have spoken of tonight. I wish to refer to some of them. We are talking about increasing the retirement benefits substantially for people covered by the Canada Pension Plan. One way of doing this is by raising the earnings ceilings.

We are talking about providing a benefit for the wife of a disabled pensioner, about providing benefits for the children of disabled pensioners, and a substantial improvement in the widow's pension. We are talking about substantial improvements across the board. It is a governmental declaration of intent. We are now meeting with the provinces with regard to improvements in the Canada Pension Plan. I hope that in the foreseeable future we can also come forward with meaningful changes in this area.

I wish to point out one other thing this government has recently done with regard to assistance for our senior citizens. As many members will recall, there was a special $500 exemption for those over 70 years of age. We increased that to $650 and lowered the age qualification for the exemption to 65 years of age in the recent tax changes. This means, in effect, that up to one million Canadians who are receiving all or part of the guaranteed income supplement because of their income bracket will not pay any tax at all. That accounts for a substantial number of the upward of one million Canadians who we removed from the tax rolls entirely as a result of the proposals of the former minister of finance.

There have been tremendous changes and improvements over the past few years to our guaranteed income supplement. This is protection for our aged. When you take that in conjunction with the Canada Pension Plan and the improvements that have been recommended, add to that the additional resources both human and financial that have gone into services for our senior citizens under the Canada Assistance Plan, and the financial policies in terms of removing a tremendous number of our senior citizens from the tax rolls, I think it is a record of which the government can be justly proud and for which we should make no apologies to this House.

Some hon. Members: Hear, hear!

Pension Increases

Hon. J. A. MacLean (Malpeque): Mr. Speaker, over the years the Minister of National Health and Welfare (Mr. Munro) has sat in this House I have developed considerable affection for him. But that will not cause me to be diverted from the subject before us this evening. I listened to the minister bring forward a long series of red herrings such as the universal approach to old age pensions, the guaranteed annual income and various other benefits. However, none of these is the subject of this debate. The resolution which we are discussing reads as follows:

That this House condemns the government's failure to contribute to pensions, allowances and other benefits granted or administered by the government a yearly percentage increase corresponding to the percentage increase in the consumer price index for Canada.

What is referred to in the resolution is a very important and basic principle. When a government makes a commitment to individuals, that commitment should be honoured in the real value in which it was made and should not be discharged in debased coinage. That is what happens in a period of inflation. If you think about it for even a few moments you will realize that almost all government commitments are made in terms of absolute dollars. The result is that a commitment to pay a pension at any level, or any other commitment that is stated in dollars, has a decreasing value as inflation decreases the value of the dollar. Although the government may be adhering to the letter of its own law, it is not adhering to the spirit of the law.

The results in a period of inflation are as follows. Not only are the government's commitments to individuals almost invariably measured in an absolute number of dollars, but government receipts or expected receipts are almost always calculated in terms of percentage of income. What is the result of this? On the government's receipts side of the ledger, a period of inflation has the effect that basic exemptions in taxation are measured in absolute dollars. As inflation continues, the real value of those exemptions goes down, so that in terms of real value the tax burden imposed on individuals or corporations increases in absolute purchasing power without the legislation being changed at all. The government's take of the gross national product automatically increases.

On the other side of the ledger, the paying out side, the government discharges its commitments in what is in effect debased coinage at a much lower real value than that which existed when the commitment was made. The government benefits from this in a bookkeeping way because in a period of inflation the government's tax receipts go up but its commitments to pay out do not go up in the same proportion. It is in a position of affluence, so to speak.

The trouble with governments over the years, particularly this one and perhaps even more the previous one, has been that in a period of inflation or what may be called buoyancy they are well off as far as receipts are concerned. With regard to what they have to pay out, they become prodigal. They think of setting up more boards and studies and hiring more and more civil servants who are put to work at jobs that are ever decreasing in importance and benefit ratio to cost as far as the country as a whole is concerned. In those periods the overhead to be borne by government increases at a tremendous rate.

Then we encounter a period in which this trend disappears; the government is hard up and is forced to run a deficit to stimulate the economy. Surely this is a time when we ought to do our national business in a more scientific manner.

• (2040)

In present circumstances, every government has a vested interest in inflation for the reasons I have stated. If the value of the dollar decreases, it can discharge its obligations in cheap money. Surely this is wrong in principle. I am reminded of the story told about a medieval weaver who had a lot of cloth to sell. In those days the measure of a yard was the distance between the king's nose and his thumb when the arm was extended. It so happened that the heir apparent was a runt, so the weaver tried to kill the king in order that he could settle his obligations in short yards of cloth. This is the way in which this government and governments before it have operated. I think we ought to do better than that.

The resolution suggests, therefore, that when a government enters upon an obligation it should discharge that obligation in terms of the real value at the time it was made, and not in cheap dollars. The present practice of governments making commitments prior to a period of inflation and then discharging them as inflation decreases the value of the dollar is really an example of Indian-giving. The administration brags about the goodies it handed out and soon afterward people find that the value of those goodies has shrunk to 80 per cent of what it was originally. The administration then brings it back to perhaps 90 per cent of the original value and then brags about its performance again.

Who suffers when the government pays off its obligations in cheap money? One such group includes the aged, because a lot of the aged are poor. The aged in Canada account for an appallingly large proportion of the poor. Thirty-two per cent of all families whose heads are aged between 65 and 69 are poor. Forty-nine per cent of all unattached individuals aged between 65 and 69 are poor. Sixty-seven per cent of all unattached individuals over the age of 70 are poor. These figures for 1969 are supplied by Statistics Canada.

Another group which suffers in these circumstances includes the veterans of our country. In 1919, when the basic value in real terms of veterans pensions was set, it was decided that it should be the equivalent of the wages of an unskilled worker in the civil service. Recently, members of our armed forces received a deserved raise in pay. Their pay was brought up to parity with that of the civil service. The pay of a private soldier was increased, retroactive to October 1, 1971, to $5,760 per year. Mr. Speaker, the basic rate of pension for a single pensioner is only $3,504. The differential is $2,256.

The Woods committee on veterans pensions recommended that the amount fixed for a 100 per cent pension should continue to be directly related to the earning power of a man in the class of an untrained labourer as determined by the average wage for this type of employment in the public service. The Standing Committee on Veterans Affairs approved this recommendation in its report to the House of Commons on June 22, 1970. A

sampling of public service pay scales indicates that the average basic pay of such employees as of October, 1971, was $4,551. So the basic pay of a veteran has fallen away behind this figure. I believe it is $3,504 at the present time.

This is a further illustration of the erosion over the years, due to a decrease in the value of the dollar, of a basic value which was established originally. When the disparity is made up, it is never made up entirely. In any case the adjustment is always made late and the value of the new scale begins to decrease almost immediately. Bearing these points in mind, I have great pleasure in supporting the motion criticizing the government for failing to recognize the principle, which is justice, nothing more.

Mr. D. W. Groos (Victoria): Mr. Speaker, I am pleased to be able to take part in this debate, even briefly. I do not think anyone in this chamber is unaffected by the appeals we receive through the mail and personally from our constituents and others who live in this wonderful land but who are not sufficiently endowed with its worldly goods.

Responsibility for dividing the wealth of the nation rests upon the government, particularly with respect to the wealth which accrues to the treasury through taxation. The Minister of National Health and Welfare (Mr. Munro) has this evening presented to us the case for the government. The division he has outlined is a sensible one and one I can support—a division of resources between various programs which are directed mainly to those who are in greatest need. This, however, is but one point of view, I would suggest. I believe there are others which would bear investigation and I intend to come to them in a few moments. Before doing so I should like to refer to comments of previous speakers concerning veterans in general and Hong Kong veterans in particular.

• (2050)

In the case of Hong Kong veterans, Mr. Speaker, you will recall it was only a matter of a few months ago that this House agreed that the Hong Kong veterans were to be given special treatment in view of their disabilities and the treatment they suffered while prisoners of war. They have now been awarded a sufficiently large percentage of pension to ensure that their widows are given protection when they pass on. The widows of their comrades who have already passed on are, I believe, now better looked after than they were before. I think this has been a very great achievement which was not the result of the efforts of any one member of the House but of general agreement among all members of the veterans affairs committee. I think this has been a real step forward.

I was also pleased to receive in the mail this evening additional evidence of another step forward taken by the veterans affairs committee in the form of the decision in the first appeal presented to the Pension Appeals Board recently set up by the Minister of Veterans Affairs (Mr. Laing). I am glad to say we are now seeing how the benefit of the doubt clause is being applied to those for whom it was designed.

As mentioned earlier by my hon. friend opposite, too many veterans are inadequately documented. Possibly the worst documented group, as I have told the House previously, are the veterans who served overseas. The best documented veteran in the world is the man who did not leave Canada or get far from his Canadian base. Therefore, my sympathies lie entirely with the badly documented veteran who saw service overseas, and I am very pleased that he now has the benefit of the additional protection that has been given him by this parliament. I think this has been another very great step forward taken by the House.

I should now like to come back to a final matter in connection with veterans affairs before I pass on, in the very few moments I have left, to the question of pensions generally. I wish to bring to the attention of the Minister of Veterans Affairs as forcefully as I can—I think this lies within the ambit of this debate—the fact that domiciliary care for veterans is very much a federal problem. If provinces choose not to provide domiciliary care facilities for their older citizens, certainly for veterans, then I think this government—indeed, any government—as well as this House and the country have a responsibility to provide them. Recognizing this, I hope it will be one of the steps the new Minister of Veterans Affairs will take during his term of office. I also hope it will be one of the matters to which the veterans affairs committee will apply itself very diligently in the weeks ahead.

The matter is becoming a very pressing one. Veterans of the Second World War are requiring domiciliary care. They cannot get it from the provincial establishments and they cannot afford to obtain it privately. So where are they to go? That is a question which at the moment is unanswered and it can only be answered by this House.

In conclusion I wish to speak about pensions generally. I think we are all receiving letters from our constituents who find it a problem to make ends meet in these days of inflation. I should like to read one of these letters to the House. It arrived today and is written by someone who lives in Victoria whom I will not name. He writes:

—I wish to draw your attention to the situation of retired civil servants who are restricted to an annual pension increase of only 2 per cent at a time when those presently employed are being awarded 7 per cent, 8 per cent and even more each year.

If MPs. can claim $8,000 per year, and if employed personnel can prove a need for increases on their present high salaries, surely the need is much more obvious for those of us who reached retirement age when salaries were much lower.

The following is the most moving, Mr. Speaker:

As the present trend continues, each year reduces our standard of living and makes the prospect of growing old rather terrifying, which is hard to understand in this richly endowed land of ours.

If nothing better can be done, surely our Pensions should at least be tied onto a cost of living bonus, or failing this an increase in the old age pension somewhat better than 42 cents.

Some hon. Members: Hear, hear!

Mr. Groos: Mr. Speaker, my time is short and I do not want to be cut off having not made my particular point, which is this. In my view the question of pensions is one which should be tied in, not to the cost of living index, because I do not think that is really adequate, but to the current pay of the position a person held when he retired. As I said to the minister earlier, this is another point of view. Expensive though it may be, it will be a cost on

private enterprise or on government enterprise. I think it essential that this step be undertaken, otherwise we shall continue receiving letters of the kind I just put on the record, the contents of which in my view are very justified.

I have a great feeling for elderly people, a large number of whom live in my riding. We are all growing older. I can understand what this correspondent means when he says that the prospect of growing old is rather terrifying. I can quite see his point about the effect inflation has had upon the income he tried to establish for himself for his retirement years.

There are many other letters I could read, and if I have time I should just like to read one other which demonstrates the point I have been trying to make, on the spur of the moment, perhaps not as adequately as I might have made it had I had time to prepare my speech. However, I have at least done my best.

Mr. Dinsdale: You have done very well indeed.

Mr. Groos: The letter reads as follows:

I am a widow and receive the old age pension, $80 per month, but not the supplement.

Obviously, this letter comes from a lady who tried to set her house in order before she and her husband retired.

Had my husband, who, unfortunately, did not live to receive a pension, and I not worked extremely hard and saved so that in our older years we would have enough to get by and not be dependent on anyone for help, I am afraid life would have been very difficult indeed. With the cost of living going up as it does each year, and living on a fixed income, I am finding it increasingly hard to manage. Actually it is necessary to deprive myself of many necessary things in order to keep my independence and not be a burden on anyone.

This is someone I respect and admire.

Is it not possible to give the 65s and over some consideration so that we who are living on a fixed income can again have pride of place in the community.

I know my time is up, Mr. Speaker, because I can see you giving me the eye.

Mr. Rose: Continue.

Mr. Groos: Therefore, I shall have to sit down in spite of the invitation from my hon. friend on the opposite side of the House to continue. I know the rules of this debate: my time is limited to 15 minutes. On the other hand I hope the words I have spoken will fall upon the receptive ears of the ministers concerned.

• (2100)

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to say, first of all, I was very much impressed by the speech of the hon. member for Victoria (Mr. Groos). I only wish the exigencies of our parliamentary procedure would enable him to put his vote where his convictions obviously lie, that is, in favour of the motion and the amendment, because I believe he made a most eloquent and moving plea for precisely what is in those documents. I shall not blame him if he yields to the general practice in this place of voting according to party, but certainly his remarks would be even more impressive if he joined those who support the motion and the amendment because they are clearly in line with what he said.

I did not have the opportunity to hear the whole of the speech of the Minister of National Health and Welfare (Mr. Munro), but I heard enough of it to note the tone of extreme complacency about the record of the government in this field. The minister said that he thinks the Canadian government has reason to be proud of what it has done for the old age pensioners. He said that the Canadian people have reason to be proud. I note that the minister is not in the House now, but perhaps he will read the record of this debate. I wish to give him some news. The government may be proud, but the people of Canada are not proud of the record in respect of what we have been able to do for our old age pensioners. They are disappointed. In fact, I am prepared to assert that nothing else the government has done or has failed to do has created more disillusionment in this country than its treatment of the old age pensioners.

I took the trouble to make a survey of opinion in my riding. I asked two questions which are relevant to this debate. A number of other questions were asked as well. I asked whether government old age pensions and old age assistance are to low. This is a very simple question. There were 562 answers to the question. There were 514 affirmative answers and 48 negative answers. So out of a sampling of nearly 600, the number of persons who believe old age pensions are too low is in the ratio of five to one. Then I thought that perhaps the people who answered this question might be interested because they themselves might be recipients of old age security or assistance. I asked if that was the case, and it turned out that only 90 persons were in that group and 411 were not.

If this sampling of opinion is sound, and I believe it is, I say that the vast majority of the Canadian people wish us to do more for our old age pensioners. Then I asked another question. These questions were under a number of headings. I asked: "How do you rate the performance of the federal Trudeau government in the following areas". The three choices I gave were "very good," "satisfactory" and "poor." Then I listed each area of performance of the federal government. In the area of security for senior citizens, 33 answered "very good", 158 answered "satisfactory" and 342 said "poor". I might say that some included other adjectives; some said "lousy" and some said "disgraceful". They expressed themselves very clearly in that way although they were not asked to do so in the questionnaire.

This sampling in my own constituency indicated that the performance of the government in that field has been poor. I suggest that the minister, instead of basking in the sort of complacency he exhibited today, should seek the opinion of his constituents and find out whether the performance of the government in this field is as good as he made it out to be.

I would have been perfectly content so far as this debate is concerned to have said that the hon. member for Winnipeg North Centre (Mr. Knowles) expressed, as he has on a number of other occasions, precisely, eloquently and clearly the position I take on behalf of my constituents in respect of the old age pension and other forms of security. But, and I recognize that what I say may be purely repeti-

tive, there are too many in my constituency who are deeply and personally concerned with this matter to make it adequate for me to say merely that I repeat and accept the views of the hon. member for Winnipeg North Centre, although I do wholeheartedly accept those views. There are too many people in my constituency who have worked hard all their lives, who have struggled to build their homes, who have struggled to bring up their families, who have contributed to this country and who find under the present situation that they are strained, that they are pressured, and in some cases are even starved because of the situation in which they now find themselves.

I should like to say I agree with the hon. member for Winnipeg North Centre in what I understood him to say, that is, we in this party believe a very minimum that should be done at this time is that which is set out in the motion we are debating. That motion asks that all pensions include an escalator clause corresponding to the increase in the cost of living. I would say that is indeed the very minimum we could ask for. Every time the cost of living increases and the escalator clause we have of 2 per cent does not equal the increasing cost of living, we are taking something away from the old age pensions that the Canadian people have promised to the older people of this country. We are depriving them of something to which, in my view, they are entitled. I do not think we should be satisfied with that sort of performance; I think it is inconsistent with the clear promises of the parliament, the party and the government which originally produced the plan, and it is unworthy of the Canadian people.

I accept the motion and I accept the amendment that has been moved by the hon. member for Winnipeg North Centre. It deals with the failure of the government to raise to adequate levels the basic amount of all personal pensions, allowances and benefits. I share with my colleague surprise that the official opposition in its motion paid no heed to this particular problem. I share with the hon. member for Winnipeg North Centre the belief that an increase to $150 a month for a single person and $300 a month for a married couple is not one dollar too much. I believe this country can afford it. The minister said it represents a colossal figure and extra taxation at a time of deficit. I remind the minister and members of the House that for 500,000 people who are receiving the full supplement at the moment the increase is only from $135 to $150 per person.

• (2110)

I also repeat, because it bears repeating, that those 500,000 people, because the supplement is so small, arrive at a position of complete destitution. For another 500,000 there is an increase from an average of about $125 to $150, and only for 700,000 is there an increase from $80 to $150. It seems to me that this is not only justice, this is not only the carrying out of contractual moral obligations to our older people; it would be a fillip to the economy. The effect of this would be expansionary at a time when we need expansion, and where could expansion be more justly and properly devoted than to relieving the hardships of the older people of this country?

I think it was in 1970 that the government froze the pensions of some 500,000 old age pensioners who did not receive the guaranteed income supplement at $80 a month. This increased pensions at that level by 42 cents a month. The government has done very little else that has done more to discredit them with the people of this country than that increase of 42 cents a month. This increase did not even reflect the increase in the cost of living up to that time. As for the cost of living which has risen and will rise in the future, no increase has been or will be made in that amount.

I say that this is contrary to the principle of universality adopted in 1950. The contract of the government has been broken. The principle for old age pensions as adopted was that pensions should escalate with the cost of living. That legislation and its continuance constitutes, in my view, a breach of faith. Ministers of government such as Miss LaMarsh, then minister of national health and welfare, Mr. Pearson, then prime minister, and Mr. Benson, then minister of finance, have stated from time to time that all future old age pensions should automatically be increased according to the increase in the cost of living. This pledge to our older people has been broken. I urge that old age pensions are not a matter of charity but a matter of right. Payments into the old age pension fund are partly out of the general revenue, it is true, but much of the amount is raised by the pensioners themselves through income tax and sales tax.

When this legislation was introduced, and since that time, the Prime Minister (Mr. Trudeau) stated that the effect of the government's legislation was to take from the rich and pay to the poor. I suggest that that is not a fair description of what has happened. In fact, there has been a redistribution of poverty. Forty per cent of all those who receive the old age pension get no guaranteed income supplement and have no increase at all. Perhaps 10 per cent of them have substantial means but the other 30 per cent, amounting to half a million people, have incomes of between $3,500 and $4,000 a year. Are these the rich from whom more is to be taken in order to benefit the other people? I suggest that this is a complete mistake.

The hon. member for Winnipeg North Centre has repeated many times in the House that this party stands for a basic pension for all people over 65 years of $150 without any means or income test. We in this party do not propose to go back on that part of our policy. In fact, we wish to go forward and reduce the age at which old age pensions would be paid, thus distributing income at this time. I conclude by saying that we are anticipating an election fairly soon and I say to the government that they will be the ones to suffer if they allow the election to come on without changing their attitude, without adopting either the motion put forward by the official opposition or accepting the amendment of this party.

Mr. Ross Whicher (Bruce): Mr. Speaker, I am pleased to have the opportunity to say something about the motion put forward by the official opposition. What the motion means, of course, is very simple to everyone in the House of Commons tonight, namely, that all Canadians on pensions are not getting enough money, particularly our senior citizens who are commonly called old age pensioners and those who spent a long time in the army and are now entitled to the war veterans allowance.

Other hon. members who have taken part in the debate referred to those who are fortunate enough to be on the

Canada Pension Plan, who receive widows allowances, family allowances, and so on. I do not think there is a single member in the House of Commons who would not agree that pensioners, whether they be old age pensioners, veteran pensioners or any other pensioners, should obtain more money. All of us accept that fact. When I look back over the years, and one does not have to go back too far, I realize that old age pensions in Canada were initiated on a means test at $20 a month. I remember when it was increased to $40 a month for pensioners who had reached the age of 70. That was within the last 25 years or thereabouts.

In those days our older people were the ones who, like our senior citizens of today, had helped to make Canada great. They were pleased and proud of the fact that what they had done in life was appreciated by the taxpayers of Canada and they were most happy to accept the $40 a month, which of course is a mere pittance when we think of what is being done today. I remember sitting in the Ontario legislature when the hon. Walter Harris sat on the government side as minister of finance in the House of Commons and on that budget night raised the old age pension given to persons at the age of 70 from $40 to $46 a month. I remember the sneers that greeted the statement of the minister of finance which were expressed in the press throughout Canada and by members of the opposition who said that he was simply not giving enough. On looking back, most people would agree with them.

What happened that members of the opposition, and indeed members of my own party, as my hon. friend to the left suggested, agreed that that was not enough? You may remember that we had an election. Our Conservative friends to the left—I certainly regard them as my friends—immediately raised the old age pension to the magnificent sum of $55 a month, and before they called another election they raised it to $65 a month for all Canadians, for the wealthy and the poor, at age 70. There were many of us—I was one of them and I am sure there are many such people on my side of the House—who agreed that it was nice to get a pension increase. It was a large sum, but let us look at the situation today. Hon. friends to my left are talking about a heaven; they are not talking about the old age pension as it is today or as it was yesterday. They have suggested that we have a heaven on earth but they have not suggested the figure that would be appropriate to the situation in Canada today.

• (2120)

I say with all sincerity, Mr. Speaker, that if the government of Canada offered the old age pensioners $200 a month, the very next day hon. members to my left would be up in the House of Commons asking for $250 a month.

Some hon. Members: Hear, hear!

Mr. Whicher: My hon. friends to the left clap. Through you, Mr. Speaker, I say to them that we all want old age pensioners to get $250 a month, but we are realistic. We think of the sons and daughters of our senior citizens who have to pay taxes to raise huge sums of money so that the government of Canada can pay it out to our senior citizens. What is the situation now? What has changed from the time the Conservative party formed the government of Canada? Members of the Conservative party are the very people who had the gall to stand up here today and say we are not giving enough to the pensioners, yet they sat here under the Conservative government led by the right hon. member for Prince Albert (Mr. Diefenbaker), a government which gave pensioners the magnificent sum of $65 per month on which they had to pay income tax—

Some hon. Members: Shame!

Mr. Whicher: —and that was at the age of 70.

Some hon. Members: Shame!

Mr. Whicher: Let us look calmly at this for a moment because I do not want to hurt my hon. friends to the left; I only want to tell them what is going on in the world. They gave the old age pensioner $65 a month at age 70, and today those in need in Canada at age 65, not 70, are getting $135 a month absolutely tax free.

Some hon. Members: Hear, hear!

Mr. Whicher: Of course we want to give them more, Mr. Speaker. There is not one member of the Conservative party who does not want to give them more and there is not one member of the Liberal party who does not want to give them more. But give us a chance. We raised the pension from $112 to $135 this year. Next month, in April, it is going from $135 to $137, and the year after that when we are again returned to power we will raise it again.

Some hon. Members: Hear, hear!

Mr. Whicher: If hon. friends to my left want to be fair, and I know most of them are fair, they would say, "Let us raise it to $200. We know that when we were in power we gave them $65, and you people have done a good job by giving them $135." They would point out that this year the government of Canada, from the taxes paid by the ordinary citizen, is turning over $2,270 million to our senior citizens. Not bad, Mr. Speaker, I say. Of course, this money should go to them, because who made Canada great? I will tell you who made it great. It was our fathers and mothers and our grandfathers and grandmothers. It was the same people who made Canada great when the Conservatives were in power, yet they gave them only $65 a month at age 70. The Conservatives' argument that we are not giving enough will simply not be swallowed by our senior citizens. They will remember what the Conservatives gave them and they will tell the Conservatives, "You did not give us enough."

There are other things that we have given our senior citizens, that we have given my father and mother, my father-in-law and my mother-in-law. It wasn't until the year 1959 that we had a hospitalization insurance plan in Canada and it wasn't until a few years ago that we had a medicare plan in Canada. Let us look at things and how they really stand today with regard to hospitalization and medicare. This year the government of Canada is turning over to the provinces—quite rightly, and we say it with pride in our voices—$660 million in medicare payments and $950 million under the hospitalization plan. Some 15 years ago we did not turn over one cent for these purposes.

Where is this money going? It is not just going to the people who are 21 years of age and under. It is not just going to the people who are 35 years of age and under. For example, some of it is going to the senior citizens in the province of Ontario who as of January 1, 1972, just 60 days ago, do not have to pay one nickel for hospitalization or medical services.

Some hon. Members: Hear, hear!

Mr. Hales: That is if a man doesn't make over $2,500.

Mr. Whicher: If he is getting $135 a month he is not making $3,500, and he does not pay one nickel. I will tell you who promised that to them: it was the Tory party of the province of Ontario. There are many things we could discuss tonight, Mr. Speaker. I could emphasize once more that not enough has been done for our senior citizens. We all know that. We all want to do more for our fathers and mothers. In that respect we agree with the hon. member for Winnipeg North Centre (Mr. Knowles) who if he had lived at the time of our Lord would have been the thirteenth disciple because he wants to give everything away. But you cannot give everything away. You have got to speak about reality. You have to remember that our sons and daughters are the people who have to pay the taxes. You have to remember that our sons and daughters want to give us much as they can, but there comes a time when they can only give so much and the people in Canada who work hard become tired of paying taxes.

I haven't the slightest doubt that when the next budget comes down every opposition member, including the hon. member for Winnipeg North Centre, will stand up and say that the government is charging the people of Canada too much in taxes.

An hon. Member: Pitiful!

Mr. Whicher: Somebody to my left says "Pitiful," but it is not pitiful for the senior citizens of Canada who have the highest old age pensions of any country in the world. I agree it is not enough but it is the highest anywhere.

Some hon. Members: Hear, hear!

Mr. Whicher: I want to close by comparing the old age pension system here with the system in the United States of America, the wealthiest country in the world. For comparison I will take someone who lives in the great city of Detroit, a city of two or three million people, and someone who lives in a smaller but still great city, the city of Windsor in Canada. What happens to a man in Detroit who reaches the age of 65, who has no money and does not come under the American social security plan? I remind hon. members that 5 per cent of all Americans do not come under that plan. He goes on relief from the city of Detroit and from the state of Michigan. But a man aged 65 who has a wife and who lives in Windsor faces a different prospect. As of today he draws $255 a month and next month he will draw $260. I say to you, Mr. Speaker, that we should be proud of that accomplishment.

Pension Increases

• (2130)

Anyone can criticize. Anyone can say "too little, too late". This afternoon I heard my hon. friend say, "I did not vote for the wage increase of Members of Parliament." Of course, he has the right to say that. But I ask you, Mr. Speaker, how did his party vote on that issue, and why was he not here to vote—

An hon. Member: That was not the question.

Mr. Whicher: If we are going to talk politics, let's put all the cards on the table.

Some hon. Members: Hear, hear!

Mr. Whicher: I want to see the joker, and I saw one this afternoon.

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

Some hon. Members: Continue.

Mr. Knowles (Winnipeg North Centre): No.

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

The Acting Speaker (Mr. Laniel): There is not unanimous consent. The hon. member for Lisgar (Mr. Murta).

Mr. Jack Murta (Lisgar): Mr. Speaker, it looks as though I have the honour of ending the debate tonight. Coming in after a rousing, arm-waving speech such as was just delivered by the hon. member for Bruce (Mr. Whicher), I am inclined to wonder what there is left to say. He seemed to paint a picture of a Utopia that does exist, so we need not do anything about it.

An hon. Member: He was factual.

Mr. Murta: I for one do not believe this to be true. I believe that the hon. member for Bruce may have overstated his case. I think that one of the greatest injustices that has occurred in the so-called just society that we have heard so much about since 1968 is that our old age pensioners have been treated so callously by this government. I think this is a fact that virtually everybody in the House realizes. The beating that inflation has dealt to retired people living on pensions is causing monumental problems to say the least. If any group of citizens ever had good reason to complain, I sincerely believe it is our senior citizens. Not only has our entire population seen their dollar shrink with inflation, but they have seen the standard of living of employed people going up. This is due not only to increased wages but to improved pension benefits for employees.

Mr. Speaker, an employee who retired in 1956 has suffered a 30 per cent loss in the purchasing power of his pension dollar while his younger counterpart has received a 35 per cent increase in the same period. In the various levels of government, federal, provincial and municipal, pensions for retired civil servants have increased by as much as 40 per cent to replace the loss in purchasing power. This makes it difficult for the federal government, at whose doorstep the responsibility for inflation is ulti-

mately laid, to explain to the Canadian people, especially old age pensioners, why federal retirees get pension increases whilst nothing is done to replace the loss of purchasing power for the rest of the Canadian population.

I have some amazing facts that show just where Canada's poor people stand in terms of age. These are 1969 figures issued by Statistics Canada and show that aged people account for an appallingly large portion of Canada's poor. Where the head of the family is aged between 65 and 69, 32.8 per cent are poor; where the head of the family is aged 70 and over, 46.7 per cent are poor; 49 per cent of all unattached individuals aged 65 to 69 are poor, and an amazing 67.1 per cent of all unattached individuals aged 70 and over are below the poverty line. At the end of 1970, a monthly pension of $79.58 was payable to everyone age 65 and over who meets the residence requirements. A monthly supplement of $31.83 was payable to each pensioner who has no other source of income, and a partial supplement was payable to those with other incomes of less than $64 a month.

The white paper and subsequent legislation at the end of 1970 changed these arrangements. Effective April, 1971, old age security pensions were to be frozen at $80 with no annual cost of living increase, and the guaranteed income supplement was to range up to $55, single, or $95 for a married couple with an annual increase on a fiscal year basis instead of calendar year basis, as previously, of up to 2 per cent for cost of living increases. Calculations of the 2 per cent annual increase were to be made on the combined OAS and GIS total, not just on the GIS payment itself.

This means that people getting the old age pension plus the maximum guaranteed income supplement will be getting, starting April, 1972, $137.70 per month, single, and $260.10 for a married couple. This represents an increase of $2.70 per month, $32.40 per year, or less than nine cents per day for a single person, or an increase of $5.10 per month, $61.20 per year or less than 17 cents per day for a married couple. These annual increases of $2.70 per month, single, and $5.10 per month for a married couple do not accrue to everyone but only those getting the maximum GIS.

At the end of January, 1972, 672,960 old age pensioners were getting the maximum supplement and 110,176 old age pensioner couples were receiving the maximum supplement. This means that only 44.5 per cent of all old age pensioners at this time were getting the full supplement and, therefore, the full benefit of the 2 per cent cost of living escalator.

Taking it one step further, what if the Liberal government had in fact embarked on a just society in 1968 as it promised and, in line with such a goal, had arranged for old age security pensions and guaranteed income supplements to be increased yearly at a rate corresponding to the annual rise in the cost of living which the Progressive Conservative party has advocated in the past and which we are talking about in this debate? I contend that if such a plan had been instituted, the $75 OAS monthly pension and the GIS monthly payment of $30 in 1967 would have risen on January 1, 1968, by 3.6 per cent to $77.70 and $31.08 respectively. By January, 1972, the cumulative effect of these annual raises would have brought the OAS pension to $89.85 a month and the GIS to $58.81.

• (2140)

What does this mean in dollars and cents, in bread and butter terms for Canada's pensioners? I agree with the hon. member for Bruce who said that all members of the House are concerned about this matter. In 1972, Mr. Speaker, all recipients of the old age security pension would be receiving $9.85 more a month, or $118.20 per year, than they now receive. The cost of embarking on such a program would not have been prohibitive. You cannot talk about pie in the sky, as some members of the House tend to, because you must remember that the money must come from somewhere. Someone must pay and that someone is the taxpayer of Canada.

I contend that from January, 1968, to December, 1971, the revised old age security program would have cost altogether about $230 million, a load that the old age security fund could easily have borne. On December 31, 1971, the balance in the old age security fund was $636.1 million. In 1972, the cost would have been another $49 million or $50 million and the guaranteed income supplement changes would have only cost an extra $46 million in the four-year period between January, 1968, and December, 1971. There is no doubt that such a scheme if implemented would have benefited Canada's old people tremendously over that period.

I have tried to point out that the problem certainly is not insoluble. If an escalating factor of the kind I have talked about were added to the old age pension—and I think I have talked in realistic terms—the old age pensioners of whom we have spoken today would benefit greatly. This kind of escalation should not be given as a privilege, Mr. Speaker, but as a right. We must introduce legislation to give people this right. It is a right that should not be denied to anyone living in Canada.

Mr. Bill Knight (Assiniboia): Mr. Speaker, this evening I speak in support of the amendment to the motion. I listened to the hon. member for Bruce (Mr. Whicher) with interest. I closed my eyes for a few moments and thought I heard, as he was speaking, the ghostly voice of the late Mackenzie King. In no sense of the word has the government dealt with the problems of the old age pensioners with merit. As one travels around Assiniboia one finds small communities in which people live in squalid conditions. They are old age pensioners. I think that the amendment deserves the support of the House.

The Acting Speaker (Mr. Laniel): Order, please. It being 9.45 p.m., it is my duty, pursuant to Standing Order 58(10), to interrupt the proceedings and forthwith put every question necessary to dispose of supplementary estimates (B), interim supply and any bill or bills based thereon. The question is on the amendment to the motion.

The House divided on the amendment (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

(Division No. 8)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Barnett
Bell
Bigg
Brewin
Burton
Cadieu
Code
Danforth
Dinsdale
Dionne
Douglas
Downey
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gleave
Godin
Grills
Gundlock
Hales
Harding
Hees
Horner
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Laprise
Lewis
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McKinley
McQuaid
Mather
Matte
Muir
Murta
Nesbitt
Noble
Peters
Ricard
Ritchie
Rock
Rodrigue
Rose
Rowland
Rynard
Simpson
Skoberg
Southam
Tétrault
Winch—63.

NAYS

Messrs:

Allmand
Anderson
Barrett
Basford
Béchard
Beer
Blair
Blouin
Borrie
Boulanger
Breau
Caccia
Chappell
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cyr
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Francis
Gendron
Gervais
Gibson
Gillespie
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Isabelle
Jerome
Kaplan
Lachance
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Laniel
Leblanc (Laurier)
Legault
Lessard (Lac-Saint-Jean)
Loiselle
Macdonald (Rosedale)
MacEachen
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Munro
Noël
Olson
Ouellet
Pelletier
Pepin
Portelance
Pringle
Reid
Richardson
Roberts
Robinson
Rochon
Roy (Laval)
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Sulatycky
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (Ottawa-Carleton)
Walker
Whelan
Whicher
Whiting
Yanakis—94.

Division

Mr. Speaker: I declare the amendment lost. The question is on the main motion.

The House divided on the main motion (Mr. Rynard) which was negatived on the following division:

(Division No. 9)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Barnett
Bell
Bigg
Brewin
Burton
Cadieu
Code
Danforth
Dinsdale
Dionne
Douglas
Downey
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gleave
Godin
Grills
Gundlock
Hales
Harding
Hees
Horner
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Laprise
Lewis
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
MacLean
Macquarrie
McCleave
McKinley
McQuaid
Mather
Matte
Muir
Murta
Noble
Peters
Ricard
Ritchie
Rock
Rodrigue
Rose
Rowland
Ryard
Simpson
Skoberg
Southam
Tétrault
Winch—62.

Division

NAYS

Messrs:

Allmand
Anderson
Barrett
Basford
Béchard
Beer
Blair
Blouin
Borrie
Boulanger
Breau
Caccia
Chappell
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cyr
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Francis
Gendron
Gervais
Gibson
Gillespie
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Isabelle
Jerome
Kaplan
Lachance
Laing
(Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Laniel
Leblanc (Laurier)
Legault
Lessard
(Lac-Saint-Jean)
Loiselle
Macdonald (Rosedale)
MacEachen
McIlraith
McNulty
Mahoney
Marceau
Marchand
(Langelier)
Munro
Noël
Olson
Ouellet
Pelletier
Pepin
Portelance
Pringle
Reid
Richardson
Roberts
Robinson
Rochon
Roy (Laval)
Serré
Sharp
Smith
(Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Sulatycky
Thomas
(Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (Ottawa-Carleton)
Walker
Whelan
Whicher
Whiting
Yanakis—94.

• (2210)

Mr. Speaker: I declare the motion lost.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B)

Hon. C. M. Drury (President of the Treasury Board) moved:

That the supplementary estimates (B) of sums required for the service of Canada for the year ending March 31, 1972, presented to the House March 7, 1972, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): On division.

Motion agreed to.

Mr. Drury thereupon moved that Bill C-175, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1972, be read the first time and printed.

[Mr. Speaker.]

Motion agreed to.

Mr. Speaker: When shall the said bill be read the second time?

Some hon. Members: Now.

Mr. Drury thereupon moved that Bill C-175, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1972, be read a second time and referred to the committee of the whole.

Mr. MacLean: Mr. Speaker, I presume the President of the Treasury Board is prepared to give the House assurance that the bill is in the standard form?

Mr. Drury: Yes, Mr. Speaker.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Deputy Speaker: When shall the said bill be read the third time? By leave, now?

Some hon. Members: By leave, now.

Mr. Drury moved the third reading of the bill.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion agreed to and bill read the third time and passed.

INTERIM SUPPLY

Hon. C. M. Drury (President of the Treasury Board) moved:

That this House do concur in interim supply, as follows:

That a sum not exceeding $2,399,125,993.20 being the aggregate of—

(*a*) Three-twelfths of the total of all of the items set forth in the estimates for the fiscal year ending March 31, 1973, laid before the House of Commons on February 23, 1972, $2,224,679,688.75.

(*b*) An additional eight-twelfths of the total amount of Consumer and Corporate Affairs item 25, relating to the Prices and Incomes Commission, (Schedule A) of the said estimates. $312,666.64.

(*c*) An additional five-twelfths of the total amount of Finance item 20, relating to the Department of Insurance, and Treasury Board item 10 (Schedule B) of the said estimates, $26,150,416.65.

(*d*) An additional three-twelfths of the total amount of Energy Mines and Resources item 25, relating to the Atomic Energy Control Board, Manpower and Immigration item 10, Transport items 40, 50 and 85 and Treasury Board item 5 (Schedule C) of the said estimates, $86,819,000.00.

(*e*) An additional two-twelfths of the total amount of Finance item 5 and Manpower and Immigration item 5 (Schedule D) of the said estimates. $51,113,000.00.

(*f*) An additional one-twelfth of the total amount of External Affairs item L40, relating to the Canadian International Development Agency, Indian Affairs and Northern Development item L60, Post Office item 5, Privy Council item 1, Secretary of State item 70, relating to the National Arts Centre Corporation,

Supply and Services item 10, and Transport items 65, relating to the Atlantic Pilotage Authority, 90, relating to the Laurentian Pilotage Authority, and 115, relating to the Pacific Pilotage Authority, (Schedule E) of the said estimates, $10,051,221.16.

be granted to Her Majesty on account of the fiscal year ending March 31, 1973.

Motion agreed to.

Mr. Drury thereupon moved that Bill No. C-176, for granting Her Majesty certain sums of money for the public service for the financial year ending March 31, 1973, be read the first time and printed.

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

• (2220)

Mr. Deputy Speaker: When shall the said bill be read the second time?

Some hon. Members: Now.

Mr. Drury thereupon moved that Bill C-176, for granting Her Majesty certain sums of money for the public service for the financial year ending March 31, 1973, be read the second time and referred to the committee of the whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Honey in the chair.

On clause 2—*$2,399,125,993.20 granted for 1972-73.*

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Chairman, I wonder if I may put a question to the President of the Treasury Board? Since this is interim supply, does the minister give the usual undertaking that the passing of this bill does not interfere with our rights to discuss these items?

Mr. Drury: This is clearly understood, Mr. Chairman.

Clause agreed to.

Clauses 3 and 4 agreed to.

On clause 5—*Power to raise loan of $3,000,000,000 for public works and general purposes.*

[*Translation*]

Mr. Fortin: Mr. Chairman, I rise on a point of order.

May I ask the President of the Treasury Board (Mr. Drury) whether he can assure us that in the near future we shall have the opportunity of discussing the $3 billion loan mentioned in clause 5, at an unknown interest rate?

[*English*]

Mr. Drury: Mr. Chairman, I am not sure that a final determination of the interest rate has been made in respect of this loan, but I suggest to the hon. gentleman that his question would be answerable in the committee studying the matter.

[*Translation*]

Mr. Fortin: Mr. Chairman, I rise on a point of order.

The Chairman: The hon. member for Lotbinière on a point of order.

Mr. Fortin: Thank you, Mr. Chairman.

I should like to ask the President of the Treasury Board, who apparently did not understand my question, when precisely shall we have an opportunity of discussing that matter? I understand that will be in committee, but in view of the current situation, when will this debate take place?

Mr. Drury: Mr. Chairman, I believe I did understand the question, but I do not know exactly when committees will be sitting, specifically the Finance, Trade and Economic Affairs committee.

[*English*]

Mr. Bell: On another point of order, Mr. Chairman, I see that under clause 5 the limit is $3 billion which the Minister of Public Works cannot exceed. We all know that this is an election year. Would the President of the Treasury Board guarantee that the Minister of Public Works will not go over $3 billion?

Some hon. Members: Oh, oh!

The Chairman: Order, please!

Clause agreed to.

Clause 6 agreed to.

Schedules A to E inclusive agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Drury moved the third reading of the bill.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion agreed to and bill read the third time and passed.

Mr. Deputy Speaker: It being after ten o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

At 10.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, March 24, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

NORTHERN AFFAIRS

MINISTER'S STATEMENTS ON USHER REPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I ask the unanimous consent of the House to move a motion under Standing Order 43, the subject matter of which has to do with the derogatory statements made of and concerning a professional public servant which, unless challenged, will be a precedent, making public servants defenceless and undermining the fundamental concept of ministerial responsibility and the traditional relationship between ministerial heads of departments and their employees, both professional and otherwise, of the civil service. I therefore move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell):

That the subject matter of the public statements made by the Minister of Indian Affairs and Northern Development pertaining to the report entitled, "The Bankslanders: Economy and Ecology of a Frontier Trapping Community," and in particular the minister's disparaging references to the professional competence of Dr. Peter Usher, a geographer employed in the Department of Indian Affairs and Northern Development, be immediately referred to the Standing Committee on Indian Affairs and Northern Development, or other appropriate committee.

Some hon. Members: Hear, hear!

Mr. Speaker: The right hon. gentleman's motion is proposed to the House under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Diefenbaker: Turned down by the Liberals again.

Mr. Speaker: There is no unanimous consent. The motion cannot be put.

• (1110)

HOUSING

LOW-INCOME HOUSING REPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David Lewis (York South): Mr. Speaker, I wish to seek unanimous consent to move a motion under Standing Order 43 arising out of the serious allegations about the operations of the Central Mortgage and Housing Corporation in this week's leak and the need for hon. members to have the document in question before the tabling of the CMHC capital budget as well as its annual report. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That an order of this House be issued for a copy of a study prepared for the CMHC task force on low-income housing entitled "The Adequacy and Production of Low-Income Housing" by Melvin Charney in collaboration with Serge Carreau and Colin Davidson.

Mr. Speaker: This motion proposed under Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

UNEMPLOYMENT INSURANCE ACT, 1971

On the order: Introduction of Bills.

Mr. Speaker: As has been indicated previously, some of the private members' public bills before us are questionable from the point of view of the Chair in relation to procedure. It is the feeling of the Chair that in some instances some of these bills might infringe on the financial initiative of the Crown. It is the feeling of the Chair that this is a very important rule, indeed, a paramount rule, and unless the House is prepared to recognize that the rule does not continue to exist an effort should be made by hon. members, by the House and certainly by the Chair on behalf of hon. members, to see that we do not change this long-established practice that bills, motions and resolutions which tend to infringe on the financial initiative of the Crown be not allowed to proceed unless they are preceded, of course, by a recommendation from His Excellency. This is basically and generally the objection I have to a number of these bills.

Out of the ten to which reference has already been made three might be allowed to proceed without argu-

ment. I have reference to the one standing in the name of the hon. member for Brant, on which the Chair is prepared to put the motion, the one standing in the name of the hon. member for Moose Jaw and a third one in the name of the hon. member for Vancouver-Kingsway. Although there are some reservations, the Chair is quite prepared to give the benefit of the doubt in these three instances and to put the motions.

In the case of the other seven bills presented for introduction by hon. members I would think there are possible difficulties and I would be prepared to hear arguments on each one of them as it is proposed. I would suggest that in order to save time, because this might be a protracted procedure, I will reserve my ruling and perhaps give it to the House later today or on Monday. For the moment the Chair will put the first motion in the name of the hon. member for Brant.

AMENDMENT TO EXCLUDE SICK LEAVE PAY FROM EARNINGS

Mr. Howard, Skeena (for Mr. Blackburn) moved for leave to introduce Bill C-177, to amend the Unemployment Insurance Act, 1971.

Mr. Speaker: Is it the pleasure of the House that the hon. member shall have leave to introduce this bill?

Some hon. Members: Explain.

Mr. Howard (Skeena): This is a simple bill. It seeks to correct one of the chaotic abuses that have resulted from the operations of the Unemployment Insurance Commission since the introduction of the new legislation on the first of this year. It provides that sick leave pay shall not be classified as earnings for the purpose of receiving benefits.

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

AMENDMENT RESPECTING INVOLVEMENT IN LABOUR DISPUTES

Mr. Knowles, Winnipeg North Centre (for Mr. Skoberg) moved for leave to introduce Bill C-178, to amend the Unemployment Insurance Act (labour disputes).

Some hon. Members: Explain.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, when the new unemployment insurance measure was before the committee last year it was the feeling of many of us that the provisions regarding involvement in a labour dispute went too far. It included people who were really not directly involved. The purpose of this bill is to correct that mistake.

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

[Mr. Speaker.]

AMENDMENT RESPECTING BENEFIT PERIOD DURING PREGNANCY

Mrs. Grace MacInnis (Vancouver-Kingsway) moved for leave to introduce Bill C-179, to amend the Unemployment Insurance Act (maternity benefits).

Some hon. Members: Explain.

Mrs. MacInnis: Mr. Speaker, the purpose of this bill is to rectify a provision in the Unemployment Insurance Act which gives a woman a certain definite number of weeks before and after her confinement when she is covered by unemployment insurance. This amendment would permit elasticity in choosing the number of weeks before and after confinement.

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

AMENDMENT RESPECTING WORKMEN'S COMPENSATION PAYMENTS

On the order: Introduction of Bills.

Mr. Gilbert—Bill intituled: "An Act to amend the Unemployment Insurance Act, 1971".

Mr. Speaker: Mr. Howard, for Mr. Gilbert, seconded by Mr. Knowles, move for leave to introduce a bill intituled "An Act to amend the Unemployment Insurance Act, 1971".

As I have indicated, and I repeat, there may be some question from a procedural standpoint relating to the possible infringement upon the financial initiative of the government in reference to this and subsequent bills. I would be pleased to hear argument if hon. members would care to express their views on this particular point.

Mr. Frank Howard (Skeena): Mr. Speaker, if I may comment, I think the fact there are a number of bills on the order paper relating to the Unemployment Insurance Act reflects what almost everybody in the country knows has been a confused and chaotic situation this last winter with interminable delays in the payment of benefits to claimants.

Mr. Speaker: Order, please. The hon. member knows that he cannot argue the bill itself. I would hope we would limit the discussion to the strictly procedural aspect.

Mr. Howard (Skeena): Mr. Speaker, I am just saying that in that context this bill attempts to correct those abuses and that the argument relating to this bill procedurally probably has some application to the others as well because they seek to correct the same situation.

When the Unemployment Insurance Act was amended and the new act came into existence one of its provisions also sought to amend the Income Tax Act so as to declare that workmen's compensation payments to injured workmen would be liable to tax. Previous to that time such payments had never been liable to tax. The purpose of the bill is to change the existing situation.

• (1120)

With respect to the financial initiative of the Crown, the bill does not actually infringe upon that financial initiative and does not seek to authorize the expenditure of public funds in that regard. It just seeks to return the situation to that which previously obtained. If there is a procedural doubt in Your Honour's mind, then we say that the particular rule, if it applies to this bill, is archaic in any event. This amendment affords an opportunity for the government, which is responsible for all the confusion over the Unemployment Insurance Act and the delays and difficulties that people are experiencing with it, to correct that situation. If there is some doubt in Your Honour's mind about the procedural acceptability of the bill, then it falls upon the government to say that they will agree to permit the introduction of these bills in an attempt to overcome the confusion and delay that exist at this time. I do not think that in this instance the government should insist on our following an archaic rule to the letter, nor in the case of the other bills, because it was government mismanagement which brought about the difficulties in the first place.

Mr. Speaker: Order, please. Are there any further arguments on this bill?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there is one word I should like to add. During recent debates, of which there have been many, on income tax matters, it was frequently ruled by the Chair, usually when we were in Committee of the Whole, that provided amendments that relieved individuals of taxation did not directly impose a tax on someone else, those amendments were in order. We had a few such rulings during the debate on the income tax bill in the previous session, and there has been a similar ruling earlier this week on a bill before us in this session. I suggest that the effect of this measure is to relieve certain persons of taxation. It does not impose a tax anywhere else and, therefore, on that ground it should be considered as being within the prerogative of a private member.

Mr. Speaker: The Chair will take the matter under advisement. The next bill is in the name of the hon. member for Fraser Valley West.

Mr. Howard (Skeena): May I introduce the next bill on behalf of the hon. member for Fraser Valley West, Mr. Speaker.

AMENDMENT RESPECTING BENEFITS RECEIVED BY INDIANS ON RESERVES

On the order: Introduction of Bills.

Mr. Rose—Bill intituled: "An Act to amend the Unemployment Insurance Act (Indian reserve rights)".

Mr. Speaker: Mr. Howard, for Mr. Rose, seconded by Mr. Knowles, moves for leave to introduce a bill intituled "An Act to amend the Unemployment Insurance Act (Indian reserve rights)". Shall the hon. member have leave to introduce the said bill?

Some hon. Members: Agreed.

Mr. Speaker: Order, please. I have, of course, the same reservations about this bill as I had about the previous one. If there are any arguments that the hon. member for Skeena wishes to advance in support of the procedural acceptability of the bill, the Chair will hear them.

Mr. Frank Howard (Skeena): Mr. Speaker, when you asked, "shall the hon. member have leave to introduce the bill", I hoped that Your Honour had reviewed the situation with respect to this measure. It is somewhat different. Basically, what is involved here procedurally is this: the Indian Act declares that income received by an Indian on a reserve is not liable to taxation. An Indian does not pay tax on income he receives on a reserve. The amendment is a very simple one. It provides that unemployment insurance benefits payable to an Indian who is a claimant under the Unemployment Insurance Act and is ordinarily resident on a reserve shall also fall within that same protection and that such income shall not be liable to taxation. It merely seeks to correct an error made when the new Unemployment Insurance Act was passed by parliament and to carry into law the traditional, historic right of native Indians not to have their incomes on Indian reserves taxed or liable to taxation. It seeks to clarify the situation by providing that unemployment insurance benefits, although ordinarily liable to be taxed, shall not be taxed when paid to an Indian who is ordinarily resident on an Indian reserve.

Mr. Speaker: If there is no further comment on the procedural aspect of the bill, perhaps hon. members may wish to let the matter stand. The bill that follows is in the name of the hon. member for Kootenay West.

AMENDMENT RESPECTING TAXATION OF BENEFITS AT SOURCE

On the order: Introduction of Bills.

Mr. Harding—Bill intituled: "An Act to amend the Unemployment Insurance Act, 1971 (no tax at source)".

Mr. Speaker: Mr. Harding, seconded by Mr. Knowles, moves for leave to introduce a bill intituled "An Act to amend the Unemployment Insurance Act, 1971 (no tax at source)".

I again bring to the attention of hon. members that there is some procedural difficulty. I will hear argument if hon. members have arguments in relation to this bill different from those which have already been proposed.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I feel that the legislation is in order. Actually there is no real change. The amendment will allow the whole benefit payment rather than reducing it by making an income tax deduction at source. It does not change the intent of the act to consider benefit as income. It merely suggests that payment be made at the end of the year instead of on a weekly basis. We feel that in many cases the workman will be receiving back some of his income and he will need it at the time he receives his cheque rather than several months after the end of the year.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, will you permit me for a moment to underline

what the hon. member has said. Your Honour did ask that any arguments in relation to this bill should be distinctive, that is, they should be different from the arguments we have advanced generally.

I suggest that the proposal in this bill really does not infringe upon the financial initiative of the Crown at all. The taxability of Unemployment Insurance benefits remains intact. The only difference is that the individual will not have to compute and pay that tax until the end of the year rather than on a weekly basis when the Unemployment Insurance benefit is received.

The fact of the matter is that the Unemployment Insurance benefit that that worker is receiving is less than his normal pay. There is no telling what will be his total position for the calendar year. It may be that at the end of the year he will get back the amount which was deducted from his benefit. On the other hand, if he has done well, returned to work and his income is high, he will have to pay. Perhaps I am getting a bit into an argument on the substance of the bill, but I am simply trying to make the point that in terms of dollars and cents and in terms of what the treasury has to gain or lose, there will be no change as a result of this bill. It is only a matter of convenience to the unemployed worker.

Mr. Speaker: The Chair has listened with interest to the views expressed by both hon. members and will take their argument under consideration.

AMENDMENT RESPECTING HOLIDAY PAY

On the order: Introduction of Bills.

Mr. Peters—Bill Intituled: "An Act to amend the Unemployment Insurance Act, 1971 (holiday pay)".

Mr. Arnold Peters (Timiskaming): Mr. Speaker, the same argument which applied to the bill Your Honour allowed respecting sick leave pay applies to this bill. In the case of all these bills it seems to me that the only argument that can be advanced against them is that these matters are the responsibility of the Crown and that we are infringing on the Crown in relation to them.

The bill that amended the Unemployment Insurance Act established some new rules and provided for changes in the original act. However, in the original act and in other pieces of legislation severance pay and bonuses accumulated over a period of time in our opinion were not intended to be included as earnings and certainly not calculated over the period when those sums of money would not normally be available.

When holiday pay legislation was originally passed in the province of Ontario there was a time element placed on it. The worker received stamps in his book. He could not cash those stamps until July 2 of the year following the earning of those stamps. They were specifically collected by the worker to provide for a holiday period. The amount was not considered as earnings. It was part of the pay schedule. This was not the intention of the legislation but it was the intention of the regulations.

• (1130)

We are not now asking for a payment from the Crown. We are not redistributing the money the Crown has raised. All we are doing is exempting something which does not belong in the calculations of benefits under the Unemployment Insurance Act.

[Mr. Knowles (Winnipeg North Centre).]

I presume that Your Honour's objection to these bills stems from the situation that the moneys are not now in a fund directly linked with the Unemployment Insurance Commission but are included in general revenue and that in a technical sense all moneys paid for unemployment insurance through the collection made by the Department of National Revenue become moneys of the Crown. I suggest this is a technicality. There is a lot of bookkeeping in the process and the situation has really not changed since the unemployment insurance fund lost its old form and became a revolving fund. The moneys paid for holiday pay will make no difference as far as the tax structure of the nation is concerned and the question of whether this involves a change in taxation should not enter into our consideration because I believe there is a difference between moneys collected to pay for unemployment insurance benefits, or expenditures made on behalf of the unemployment insurance fund, and taxes which flow into general revenue. If this is not the case, the country will be very surprised to find that unemployment insurance is a welfare measure operated by the consolidated revenue fund rather than an unemployment insurance fund. I do not think even the government has that intention.

Mr. Speaker: The bill will stand.

AMENDMENT RESPECTING RETIREMENT BENEFIT

On the order: Introduction of Bills.

Mr. Peters—Bill intituled: "An Act to amend the Unemployment Insurance Act, 1971 (retirement benefit)".

Mr. Arnold Peters (Timiskaming): Mr. Speaker, this bill was placed on the order paper more for clarification and interpretation than probably a change. In looking at the Unemployment Insurance Act which we passed recently there is by a simple reading of that act a three-week retirement period for persons who have either made an application under the Canada Pension Plan or have reached the age of 70.

This has been interpreted to mean that a person who is already on a major claim that has paid 20 weeks benefits is entitled to three weeks. But if he is drawing benefits when he reaches 70 the interpretation has been to discontinue the payments. This is a clarification indicating that those three weeks to which he is entitled will be paid to him after he has reached his seventieth birthday.

Mr. Speaker: The bill will stand.

AMENDMENT RESPECTING BENEFITS AT TIME OF RETIREMENT

On the order: Introduction of Bills.

Mr. Knowles (Winnipeg North Centre)—Bill intituled: "An Act to amend the Unemployment Insurance Act (benefits at time of retirement)".

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the purpose of the bill is simple. I realize I am not introducing the bill at this point, but the purpose leads

into the procedural question. The purpose of this bill is to provide that section 31 of the Unemployment Insurance Act shall not apply until the year 1977.

Section 31 of the Act is the section which denies people unemployment insurance benefits except for a three-week period if they are 70 years of age or over or have applied for benefit under the Canada Pension Plan. I suppose Your Honour looks at this and says it means that certain persons will be drawing benefits, if this bill goes through, which they would not otherwise draw during this transitional period. That was the purpose of my putting it this way—just to provide a transitional period. Your Honour may feel that if they were drawing money which they would not otherwise draw, it would have to come out of the treasury.

May I remind you that the present structure of the new Unemployment Insurance Act is one in connection with which there is no federal contribution. Charges are levied against employers and employees. Under the old act there was a tripartite basis for the making of contributions. Under the new one, there is only a bipartite arrangement. I know there are certain points at which the government comes into the picture, but the basic structure is one in which only employers and employees pay.

There is a similar situation with respect to the Canada Pension Plan. Some private members' bills touching the Canada Pension Plan have been allowed on the basis of this same argument, namely, that the Canada Pension Plan is financed entirely by employers and employees without any government contribution being made thereto. It is on this basis that I contend that the bill we are considering does not infringe the financial prerogative of the Crown.

Then there is the point which my hon. friend from Timiskaming raised, namely, that there does not presently exist an unemployment insurance fund, that the money goes in and out of consolidated revenue. But in terms of bookkeeping I suggest that if this bill were allowed, and if it cost any additional money, it would result in an increase in the amount which employers and employees would have to pay. On this basis I contend it is not a bill which infringes the financial prerogative of the Crown.

There is one other point I wish to make. Your Honour might find it unusual, coming from me, but the argument is a sound one anyway. There is another place in this building. It still exists, despite years and years of efforts on my part to get rid of it.

An hon. Member: Like you.

Mr. Knowles (Winnipeg North Centre): In that place a gentleman from Saskatchewan—he is Hon. Hamilton McDonald—has introduced a bill which goes further than mine does. He wants to abolish section 31 completely. That bill has been introduced and given first reading in the other place.

If my bill infringes the financial initiative of the Crown because it postpones the application of section 31 for five years, then the other certainly does so to an even greater extent. Not only are private members of the other place denied the right to introduce bills trespassing on the financial initiative of the Crown, but that prohibition applies to the Senate as a whole; that body cannot deal with, or pass, what we call in general terms a money bill. There was an instance a year or two ago of a government bill which was passed in the Senate. When it came over here we discovered it was a money bill, and after a point of order had been raised Your Honour ruled that it could not be proceeded with as a bill from the Senate; it had to be introduced by the government in this House.

• (1140)

My point is that a bill that is similar to this, with the exception that it goes further, has been allowed by the Speaker of the Senate as in order. That means that in his view that bill does not infringe the financial initiative of the Crown. I believe that Your Honour and His Honour the Speaker of the Senate are on good terms and communicate with each other. Therefore I am happy to suggest that since Your Honour is reserving judgment you might discuss this matter with him. Whatever one may think about the other place, I am sure we would not want to be practising an inconsistency or want that place to be able to grant a right that is denied this House. I hope Your Honour will find this bill is procedurally in order.

AMENDMENT RESPECTING WAITING PERIOD AND DELAY IN PAYMENT OF BENEFITS

On the order: Introduction of Bills.

Mr. Howard (Skeena)—Bill Intituled: "An Act to amend the Unemployment Insurance Act, 1971 (*justitia pro societas*)".

Mr. Frank Howard (Skeena): Mr. Speaker, I know that on the first day when these bills might have been introduced Your Honour raised some question about the construction of the Latin in the subtitle to the bill. All I was trying to do, though realizing it was inaccurate grammatically, was to put the concept of the just society in its proper place, namely, in the past, indefinite, indeterminate tense that it always has been.

Mr. MacEachen: What sort of tense is that?

Mr. Lewis: The imperfect past.

Mr. Howard (Skeena): Without dealing with the substance of the bill, as I will when Your Honour permits it to be introduced on another day, I might just say that it does involve an expenditure of funds out of the unemployment insurance account. This is an expenditure to eliminate the two-week waiting period and to impose a penalty on the commission in the form of an additional benefit to be paid claimants whose claims have been delayed through no fault of their own.

I submit that the arguments which have been advanced by my colleagues from Timiskaming and Winnipeg North Centre about this expenditure not being from public funds are accurate. This is not money that would be available to the Crown to spend in any way. It is not money that is raised by taxation or by a general levy for public purposes. All the government is in this regard is the custodian of money provided by employees and employers. Inasmuch as the money is not public funds and it is not money under the authority and control of the government, except in a technical, custodial sense, I

submit there should be no question of any infringement of the right of the Crown to expend public funds.

The other matter Your Honour should consider is this. Even if it is determined that, in the strict legal sense, yes, perhaps this does infringe upon what you might call the financial initiative of the Crown, I think in this day and age account should be taken of the fact that people who have complaints, who have experienced difficulties with, and been disadvantaged by, the operations of the Unemployment Insurance Commission in its administration and dispensing of money to those people who contributed the funds in the first place, should have some avenue that enables them to come before parliament with their complaints instead of having to go to this unknown thing called the Crown. Further, I submit that private members representing citizens all across the land should have the opportunity to raise such complaints and grievances in a formal way by proposing they be corrected through the introduction of a bill.

An interesting note—and this is the last of the series of ten bills dealing with people who have been disadvantaged—is that not a single member of the government has in any way objected to the procedure on these bills. They have advanced no procedural arguments against them. In this regard, because the government is sensitive to these matters and to the disadvantages suffered by claimants through delay and so on, I suggest the silence of the government means it consents to the introduction of these bills.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to reinforce the argument advanced in support of these bills. As an individual member I am not of the opinion that we are infringing the prerogative of the Crown to raise money or to distribute money by means of taxation. The Crown has responsibility for moneys that are deposited in the fund and for how they are spent, but this does not upset the balance of ways and means. If this bill were a government measure, I suggest it would not be preceded by a resolution.

For this reason, I hope Your Honour does not make the decision that measures relating to moneys that are on deposit—I am thinking of the Canada Pension Plan, annuity plans and similar schemes in which the government has money on deposit—should be considered as in the same class as a taxation or revenue measure.

Mr. Speaker: I thank hon. members who have participated in the procedural debate. I shall have an opportunity later today or perhaps over the weekend to look at the arguments which have been advanced in support of each bill, and to review the bills from a procedural aspect, and without delay I shall indicate to hon. members which bills, if any, can be proposed to the House. Then hon. members can proceed further in light of the ruling that will be made at that time.

There is a late addition to the notices received under the name of the hon. member for Skeena. However, I do not have a copy of the bill. I would think that, although there is a notice, since there is no bill the matter cannot, of course, be put to the House at this time.

[Mr. Howard (Skeena).]

Mr. Howard (Skeena): I was going to ask that the order stand in any event, Mr. Speaker, for the very reason that the bill is not yet fully complete.

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TERRITORIAL SUPREME COURTS BILL

CHANGE IN NAMES OF COURTS OF YUKON AND NORTHWEST TERRITORIES

Hon. Allan J. MacEachen (for the Minister of Justice) moved the first reading of Bill S-3 (from the Senate), to change the names of the Territorial Court of the Yukon Territory and the Territorial Court of the Northwest Territories.

Motion agreed to and bill read the first time.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

STEPS TO PREVENT FURTHER SERIOUS INFLATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the statements made this week by the governor of the Bank of Canada and the chairman of the Prices and Incomes Commission clearly warning Canadians that they must expect inflation in this country to rise considerably during the present year, would the Acting Prime Minister very briefly indicate to the House what steps the government is planning to take to stop this serious and continuing rise in the rate of inflation?

Mr. Speaker: Order, please. The Chair has to take exception to a question that asks a minister or the government to make a statement as general as this. Even if the hon. member qualifies his question by suggesting that the list be brief or the enumeration be short, I would think a question such as this is not in order. The hon. member might like to rephrase his question and to put it in some other way for the consideration of the Chair.

• (1150)

Mr. Hees: Mr. Speaker, then I would ask the Acting Prime Minister, in view of the statements made by these two gentlemen this week, is the government prepared to introduce any measures other than those already introduced to stop inflation from rising?

Hon. Arthur Laing (Acting Prime Minister): Mr. Speaker, I want to draw to the attention of hon. gentlemen that the rate of inflation in Canada in the last several months has been the lowest of any of the major industrial nations of the world. It will be the intention of the government to continue the expansion of the economy while containing inflation, and constant studies are under way from week to week with all agencies of the government to that end.

Mr. Hees: Another Paul Martin. Mr. Speaker, my supplementary is this: In view of the nonanswer given by the

Acting Prime Minister, is the opinion of the government the same as that of the Prime Minister when he expressed his opinion—and I quote his words—that inflation is licked?

Mr. Speaker: Order, please. The hon. member for York South.

Mr. Hees: Could we have an answer to that, Mr. Speaker?

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HOUSING

REQUEST FOR TABLING OF LOW INCOME HOUSING AND OTHER REPORTS TO CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. David Lewis (York South): Mr. Speaker, I wish to ask some questions of the Minister of State for Urban Affairs who was not scheduled to be here but, who I congratulate for being here this morning. In view of the leak of a report by three professors of the University of Montreal regarding the operations of Central Mortgage and Housing Corporation, I should like to know whether he would agree to table that report at the earliest possible moment.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, whatever leaks there may be appear to be from the authors and not from CMHC. The comments I have seen in the press are neither new nor very original. Because there are so many reports which have been made within the corporation during the last little while, I have asked for a complete review for myself concerning which ones should be made public and which ones should not be.

Mr. Lewis: Mr. Speaker, may I ask the minister a supplementary question. The head of CMHC has already commented—and I quote from the newspaper report—that this report is bloody nonsense. In view of the fact also that there are five additional reports according to the newspaper, indeed six reports altogether which have been prepared as a result of the task force, may I ask the minister how soon he will inform the House which of these reports will be made public so that the people of Canada and members of parliament may have a better understanding of the role of Central Mortgage and Housing Corporation under the National Housing Act on an issue as important as housing in Canada?

Mr. Basford: Mr. Speaker, when my review of the question is finished. I had intended to table the annual report of the corporation today which indicates, contrary to some statements that have been made, that 83.2 per cent of the present budget is allocated for low-income programs. I must admit I have devoted most of my attention, as indicated in the Speech from the Throne and in my speech of a week ago last Monday, to getting before the House as soon as possible new housing legislation to correct some of the mechanisms we now have to improve housing in Canada.

Mr. Lewis: I have a final supplementary, Mr. Speaker. Would the minister inform the House how long his department and Central Mortgage and Housing Corporation have had these reports, because I am informed it has been quite a time? May I ask the minister what exactly the department is trying to hide in refusing to make these reports public?

Mr. Speaker: Order, please. The minister might like to reply to the first part of the question, but the hon. member will appreciate that the second part of his question is hardly acceptable procedurally.

Mr. Lewis: It is a statement of fact, Mr. Speaker.

Mr. Basford: The reports have been received over a period of time whenever they were finished and submitted and the department has been devoting its attention to reviewing the National Housing Act and putting proposals before me and my predecessor in the government.

AVAILABILITY OF REPORT ON LOW INCOME HOUSING PRIOR TO CONSIDERATION OF ESTIMATES BY COMMITTEE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I have a supplementary for the minister. In view of the indictment in the report to the effect that the much touted special innovative program to help low-income groups a couple of years back was a failure, will the minister assure the House that the report in respect of which my friend and I are asking questions will be made available to interested members by the time when the housing estimates go to the committee.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I think I have answered that question.

Mr. Speaker: The Chair will recognize the hon. member for Greenwood for a last supplementary and then I think in fairness the Chair should recognize the hon. member for Compton.

INQUIRY AS TO INTRODUCTION OF LEGISLATION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the same minister. In light of the apparent fact that the task force report advocates a rehabilitation program immediately to replace present stop-gap measures, will the minister assure the House that the promised legislation on this subject will be brought to the House very soon?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the government's position was indicated in the Speech from the Throne and in my speech to the House of a week ago Monday in which it was made clear that legislation dealing with a number of housing subjects would be proceeded with just as fast as we can.

Inquiries of the Ministry

[*Translation*]

THE CANADIAN ECONOMY

ALLEGED DEFICIT TENDENCY IN BALANCE OF PAYMENTS—REPERCUSSIONS ON STABILITY OF CANADIAN DOLLAR

Mr. Henry Latulippe (Compton): Mr. Speaker, may I direct a question to the Acting Prime Minister?

As the Governor of the Bank of Canada has expressed concern over the deficit trend in of our balance of payments, would the minister indicate if the Canadian dollar will remain stable or if it will be affected by this trend?

[*English*]

Hon. Arthur Laing (Acting Prime Minister): Mr. Speaker, I apologize but I did not understand the question of the hon. member.

[*Translation*]

Mr. Latulippe: Mr. Speaker, I repeat my question.

As the Governor of the Bank of Canada has expressed concern over the deficit trend in our balance of payments, would the minister indicate if the Canadian dollar will remain stable or if it will be affected by this trend?

[*English*]

Mr. Laing: Well, Mr. Speaker, of course the position of the dollar is affected from day to day and week to week by various circumstances internally and externally. It is the intention of the government to continue to pursue policies designed to keep the dollar as stable as possible to create the best conditions for both exporters and businessmen within the country.

Mr. Speaker: Yesterday the Chair undertook to give some priority today to a few of our colleagues who rose without success yesterday and for a few moments I should like to try to live up to this commitment. The hon. member for Churchill.

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SUPPLY AND SERVICES

CONTINUED SHIPMENT OF SUPPLIES FOR KEEWATIN AREA FROM CHURCHILL

Mr. Robert Simpson (Churchill): Thank you, Mr. Speaker. I have a question for the Minister of Supply and Services. In view of the great concern being evidenced both in Churchill, Manitoba, and Winnipeg regarding a reported change in policy which would mean that the annual requirements of the Keewatin area in the Northwest Territories would be supplied out of Montreal instead out of the port of Churchill as has been the case for many years, can the minister inform the House whether in fact supplies are to go out of Montreal instead of Churchill this summer?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, there has been no change in policy in so far as the Department of Supply and Services is concerned in this area.

[Mr. Basford.]

Mr. Simpson: Mr. Speaker, I appreciate the reply of the minister, but in view of the fact that the Minister of Transport has advised me there has been no change in policy in that department, I would ask the minister whether he would look into the report that all the supplies for the Northwest Territories which normally went out of Churchill in past years are this year to go out of Montreal? Would he look into that and report to the House?

• (1200)

Mr. Richardson: Yes, Mr. Speaker, I have already had word of that report and I am looking into it but, as I say, it does not reflect any change in my department.

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POST OFFICE

STATUS OF NEGOTIATIONS WITH UNIONS ON NEW CONTRACT—REQUEST FOR AVOIDANCE OF PUBLIC INCONVENIENCE

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the President of the Treasury Board. In view of the fact that the postal union contract expires next week, can the minister advise the House of the most recent progress in the negotiations?

Hon. C. M. Drury (President of the Treasury Board): No, Mr. Speaker, other than to say that progress is being made. I think the hon. member would agree that a detailed report would not be helpful.

Mr. Hales: In view of a possible breakdown in the negotiations, can the minister give the assurance that the people of Canada will not be inconvenienced and business suffer great losses and cost as they did at the time of the previous breakdown?

Mr. Drury: In so far as the question is based on the assumption of a breakdown, it is unfounded and consequently hypothetical.

POSSIBLE BREAKDOWN OF NEGOTIATIONS—CONTINGENCY PLANS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, may I ask a question of the Parliamentary Secretary to the Postmaster General relating to the one that has just been asked. In the event of a breakdown in the negotiations, what contingency plans does the government have to ensure the continuance of vital Post Office services?

Mr. Speaker: Order, please. This is the kind of question on which it is difficult to rule. The hon. member prefaced his question with "in the event", which makes the question hypothetical. At the same time I think it is valid to ask whether contingency plans are being made. A question posed in those terms is in order and perhaps the parliamentary secretary might like to reply on that basis.

Mr. Gerald Richard Cobbe (Parliamentary Secretary to Postmaster General): I do not believe there is any indication that this will happen as negotiations are proceeding at a much more rapid pace than we had anticipated previ-

ously. I am sure that if such an event should occur the department is prepared to look after any circumstances as they arise.

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HOUSING

REQUEST FOR TABLING OF CAPITAL BUDGET OF CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. Bill Knight (Assiniboia): I have a question for the Minister of State for Urban Affairs, Mr. Speaker. Does the minister intend to table the capital budget of CMHC soon and why is it now two months later than it has been in the past two years?

Hon. Ron Basford (Minister of State for Urban Affairs): I believe it has been tabled, but I will check into it.

* * *

[*Translation*]

AGRICULTURE

PROGRAM TO ASSIST SMALL FARMERS—STATUS OF NEGOTIATIONS WITH PROVINCES—METHOD OF APPLICATION

Mr. Roch La Salle (Joliette): Mr. Speaker, may I direct my question to the hon. Minister of Agriculture?

As he met with his provincial counterparts to discuss the small farms development program, for which $150 million were appropriated, would the minister report to the House progress made in negotiations with the provinces on this program, as several provinces recently objected to the terms of application of the program?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the last meeting I had with the provincial ministers was on February 14. In so far as the features of the program for the farmers are concerned there has been a great deal of progress, but as to the division of administrative responsibility between the two levels of government I regret I have to report that there has not been a great deal of progress.

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Agriculture. I should like to ask him whether this is because the provinces do not agree with the assumption that their administrative officials should be charged with the responsibility of carrying out what is essentially a federal program? Is this where the difference lies?

Mr. Olson: Not at all, Mr. Speaker. I think that, on balance, it would be the other way; they wish to assume more of the responsibility than we had suggested with us paying for it.

[*Translation*]

Mr. La Salle: Mr. Speaker, I should like to ask the minister whether he would be willing to consider setting up individual methods of application for this program with each one of the provinces, that is to negotiate with each one instead of applying the policy uniformly across the nation?

[*English*]

Mr. Olson: Yes, Mr. Speaker, that is the stage at which we are now. At the meeting on February 14 I think it was generally agreed that one administrative plan applicable in precisely the same way to all the provinces was not capable of being reached, and we are now attempting to negotiate with each province bilaterally.

PROGRAM TO ASSIST SMALL FARMERS—NEGOTIATIONS WITH PRINCE EDWARD ISLAND

Hon. J. A. MacLean (Malpeque): I should like to ask the Minister of Agriculture, Mr. Speaker, whether discussions are at present going on between the government of Prince Edward Island and his department with regard to the initiation of the small farm program in that province in the near future?

Hon. H. A. Olson (Minister of Agriculture): Not directly with P.E.I. at present although we have extended to that province the same invitation as to all other provinces. I think only three provinces have replied that they are ready to start these negotiations, but P.E.I. is not one of those that has replied to date.

FEED GRAIN—POSSIBILITY OF FREE INTERPROVINCIAL MOVEMENT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture who of course is always interested in assuring that farmers have the largest possible income. I therefore ask him whether or not the government is giving consideration to making it possible for farm producers of feed grains on the Prairies to ship them to any part of Canada regardless of whether movement is otherwise controlled by the provinces?

Hon. H. A. Olson (Minister of Agriculture): I am sure that the right hon. member would be cognizant of the fact that if there were no restrictions such as those imposed at provincial borders at present it would completely break down the system of quotas which allocates the market fairly amongst all the producers, thereby leading to the destruction of that system which, in my view, would be undesirable.

Mr. Diefenbaker: That does not answer my question. The hon. gentleman should learn from the Acting Prime Minister who today showed what experience can do when it comes to answering questions. There is no substitute for experience. I ask the minister simply whether or not consideration is being given to making it possible for farmers to dispose of their feed grain regardless of provincial authorities or jurisdiction.

Mr. Olson: I do not think it would be proper for me to comment on the propriety of provincial legislation or programs which would flow from that legislation within the provinces.

Inquiries of the Ministry

Mr. Diefenbaker: Is the answer a simple "no", instead of a multitude of equivocation?

Mr. Speaker: The hon. member for Greenwood.

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NATIONAL DEFENCE

LAY-OFFS OF CIVILIAN EMPLOYEES AT CHATHAM, N.B., BASE—GOVERNMENT ACTION TO PROVIDE ALTERNATIVE EMPLOYMENT

Mr. Andrew Brewin (Greenwood): My question is addressed to the Acting Minister of National Defence, but I am not quite sure who he is. Has the attention of the minister been called to the recent lay-off of 50 employees at the Canadian Forces Base, Chatham, New Brunswick, with a consequent loss of jobs, seniority, retirement plan and other benefits and the serious effect of this lay-off in the already depressed situation? What action is the government taking to provide alternative employment for those affected?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, this matter has been brought to the attention of the Acting Minister of National Defence and all possible steps that can be taken at present are being taken.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, perhaps someone over there could tell us where the Minister of National Defence is and whether he is alive and well.

Mr. Fairweather: He has gone on a trip with Henry Kissinger.

Mr. Forrestall: Would the acting minister accept some persuasion from this side of the House to have his colleagues reconsider this program of lay-offs at the end of March since it affects not only Chatham but all bases right across the country and in fact hundreds of men are being laid off at a time when unemployment continues at an unacceptably high level?

• (1210)

Mr. Dubé: Yes, Mr. Speaker, the Minister of National Defence is alive and well. At the present time he is visiting Canadian bases, as he should, and on his return he will be given notice of the question asked by the hon. member.

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PUBLIC SERVICE

SETTLEMENT OF CONTRACTS ON REGIONAL BASIS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the President of the Treasury Board. Is it the policy of the Treasury Board, in negotiating contracts with public servants working in different parts of Canada, to try to settle wage rates on a regional basis?

Hon. C. M. Drury (President of the Treasury Board): In principle, yes, Mr. Speaker.

[Mr. Olson.]

Mr. Fairweather: Why does the government attempt to institutionalize the dilemma that faces this country, the dilemma of regional disadvantages and disparities?

Mr. Speaker: Order, please. I would think that the way the supplementary question is asked it is inviting debate, but if the minister wishes to reply perhaps he will be allowed to do so briefly.

Mr. Drury: Thank you, Mr. Speaker. This is not a question but an argument that is being presented. I would reply by saying it is not true that an attempt is being made to institutionalize our problems. This is an attempt to bring about, in an orderly way, a greater measure of unity.

Mr. Fairweather: Ten o'clock, Mr. Speaker.

* * *

[*Translation*]

AGRICULTURE

HOGS—COMPENSATION TO PRODUCERS OF WEANLINGS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the hon. Minister of Agriculture.

In view of continuous submission of petitions from weanling producers calling for financial assistance as compensation for losses incurred during 1971, may I ask the hon. Minister of Agriculture whether he would be prepared to have this special problem considered in order to give, if warranted, a favourable reply to this class of producers who, according to the petition I received this morning, are calling for payment of a certain amount per brood sow?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have answered that we intend to pay this deficiency payment to those who market finished hogs. It seems to me that the hon. member has raised this question before, and he has agreed with me that the possibility of paying on the same hog more than once, if one were to make the payment at any other point in the marketing system, would be very high, and therefore it is not desirable.

[*Translation*]

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

I would ask the hon. minister—although I have already put this question I believe we did not quite understand each other—whether he would be prepared to recognize that those raising hogs for marketing at 200 lbs., for instance, are in a different class from those raising piglets. Losses incurred by producers of piglets are not compensated under government policy, whereby there is payment of $5 for a "finished hog". Therefore—

[*English*]

Mr. Speaker: Order, please. Perhaps the minister mig reply to the rephrased question briefly, and then we w try to proceed to another subject.

Mr. Olson: Mr. Speaker, I have recognized that difference in replies in the past, but even recognition of the difference does not solve the administrative problem of probably paying on the same piglet more than once.

INCREASE IN FEED GRAIN SUBSIDY—EXCLUSION OF PRINCE EDWARD ISLAND

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I ask the Minister of Agriculture if he is now in a position to reply to the question I asked of his parliamentary secretary some days ago as to why Prince Edward Island was excluded from the list of provinces to which Canadian Livestock Feed Board subsidies for feed grain shipments are made?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, Prince Edward Island is not excluded from those subsidies. Indeed, there have been no changes that in fact increased the actual cost to producers in Prince Edward Island. All of the changes that were made in the various zones across the country were to compensate for actual upward movements in transportation costs.

Mr. Macquarrie: Mr. Speaker, may I ask the minister if he would give consideration to amending or correcting the press release which was issued from his own office?

Mr. Olson: Mr. Speaker, I think it was a very accurate press release.

IMPORTATION OF FRENCH BEEF CATTLE—REQUEST FOR STATEMENT ON PROGRAM

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. The minister will recall his reply to my question in the committee regarding the three-year no resale department requirement on imports of French beef breeds. Has the minister now had time to reconcile his reply with the facts as I disclosed them yesterday in the committee?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, my replies were not at variance with the facts.

Mr. Rose: I wonder if I might ask a supplementary question of the minister. Will he undertake a thorough review of this whole program and then make a statement in the House articulating an improved policy in this area?

Mr. Speaker: Is the hon. member for Fraser Valley West rising on a point of order?

Mr. Rose: Yes, Mr. Speaker. My point of order is that the minister nodded in reply and I do not think the *Hansard* reporter caught the nod.

Mr. Olson: I said yes, Mr. Speaker.

TRADE

EXPECTED MORE RAPID GROWTH OF IMPORTS COMPARED TO EXPORTS—EXPORT TARGET

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct a question to the Minister of Industry, Trade and Commerce. Since there have been predictions by the business community in Canada that our exports in 1972 will grow more slowly than our imports, I would like to ask the minister if his department has an export growth target for 1972 and, if so, could he inform the House what that target might be?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the observation made by the hon. member is a correct one. In 1972 imports are expected to grow faster than exports. Indeed the present estimation is for a moderate growth of exports but in real terms, that is, with the lowest possible inflation content. The present expected growth is in the 7, 8 or 9 per cent range. If the hon. member wishes to see me later I will indicate to him a number of measures which we are taking to push on that moderate growth.

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SUPPLY AND SERVICES

SUGGESTED POOLING OF SURPLUS ASSETS OF ALL CROWN CORPORATIONS WITH THOSE OF NATIONAL DEFENCE

Mr. Cliff Downey (Battle River): Mr. Speaker, my question is directed to the Minister of Supply and Services. Have he or his officials investigated the possibilities that would be inherent in the pooling of surplus assets of Canadian Crown corporations and those of the Department of National Defence with a view to economies in administration, increasing revenue through better merchandising techniques, and the possibility of departmental cataloguing and retailing of items?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, the pooling of assets of all Crown corporations is not within the area of my responsibility.

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BUSINESS OF THE HOUSE

POSSIBLE EFFECT OF PRESIDENT NIXON'S VISIT ON LENGTH OF EASTER RECESS

Mr. R. E. McKinley (Huron): Mr. Speaker, I wish to direct a question to the government House leader. Can he tell us why he cannot say for sure whether or not we will be reconvening on April 10 after the recess? In fact, yesterday he said the return date would probably be later. Is it a fact that the government does not want parliament sitting while President Nixon is here?

Mr. Speaker: Order, please!

Inquiries of the Ministry

HEALTH

MEDICARE—POSSIBLE INCLUSION OF DENTAL CARE FOR CHILDREN—GOVERNMENT PRIORITY FOR EXTENSION OF SERVICES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the growing requests from both community and professional organizations to expand the medicare program to include dental care programs for children, I want to ask the minister if he is prepared to indicate to the provinces that the federal government would be willing to pass the necessary Order in Council extending the medicare program to include dental care for children?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I cannot agree with the premise of the hon. member's remarks that the provinces, or some of the provinces, are pressing for dental care. It seems to me that various provinces have different priorities. Some feel that medicare should be expanded to include drugs as a priority over dental care. Some are pressing for other paramedical personnel to be covered rather than denticare first. I think there is really no consensus developing among the provinces for denticare per se.

Mr. Douglas: Mr. Speaker, I agree with the minister that there may be some differences of opinion with respect to the priorities that the various provinces have established. May I ask him what is the priority of the federal government with respect to the next step in a comprehensive health insurance program? Is the minister seriously considering dental care for children as an essential next step?

• (1220)

Mr. Munro: Mr. Speaker, it is the government view that dental care is very important indeed but to answer the question specifically as to whether we have come to a decision on our preference, no, we have not formally come to that decision but we are giving it consideration at the moment.

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BUSINESS OF THE HOUSE

POSSIBILITY OF RETURNING AFTER EASTER IN TIME TO PARTICIPATE IN PRESIDENT NIXON'S VISIT

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, perhaps I may rephrase the question which the hon. member for Huron addressed to the government House leader. Regardless of whether we come back on April 10 from the Easter recess, can the House leader assure us that we will be back in time for the memorable visit of the President so that we can take part in it in some form?

Hon. Allan J. MacEachen (President of the Privy Council): Yes, Mr. Speaker, probably the motion will indicate that we will come back on Thursday which is the day the President's visit begins.

Mr. Bell: Does the House leader realize that if we are not back then and are not given an opportunity to take part, the government might be accused of a fast political shuffle with the President with an election coming up?

Some hon. Members: Oh, oh!

Mr. MacEachen: Mr. Speaker, people would not suggest that at all.

Mr. Hees: They are suggesting it already.

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AGRICULTURE

POSSIBLE CROP DIVERSIONS TO RELIEVE ECONOMIC BURDEN—MARKET OUTLOOK FOR 1972

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to address a question to the Minister of Agriculture. Based on the fact that we are on the eve of another crop year and that for the past two years the government has sent missions including officials of the Department of Industry, Trade and Commerce to various countries in order to study market demands and new products, may I ask the minister if he is now prepared to recommend to producers of agricultural products, especially in eastern Canada, any new crops or any crop diversion that might relieve some of the economic burden they now face?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not have at my fingertips, or off the top of my head, information on some new product that has not been produced before. However, two weeks ago or thereabouts there was an updated report from the outlook conference and producers will have available to them that updated prospectus on what the market demand for various commodities may be for the 1972 production year.

Mr. Danforth: Based on all the research, the task force reports and the meetings of the various commodity groups, has the Department of Agriculture no new crops to recommend or no new crop measures to recommend to agriculture at this time?

Mr. Olson: Mr. Speaker, what has come out of the research branch are new varieties and that sort of thing. If the hon. member is asking whether there is some completely new type of crop or product to be produced, I do not think we are in a position to say that there is a commercial, viable market for some of them although there are several that are being tried experimentally to test the market.

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FISHERIES

INCIDENT WITH RUSSIAN SHIP—REQUEST FOR STATEMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Minister of Fisheries, perhaps his parliamentary secretary would take my question as notice. Would the minister be prepared to make a statement in the House or at least a reply giving details of an incident which took place a short time ago between a Russian ship

and a Canadian fisheries patrol vessel off Canada's east coast, at which time the Canadian government attempted to discuss with the Russians their dangerous fishing practices and were refused access to the command ship?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): I shall certainly bring this matter to the attention of the minister, Mr. Speaker.

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BUSINESS OF THE HOUSE

LENGTH OF EASTER RECESS—CORRECTION OF STATEMENT OUTLINING AGENDA FOR NEXT WEEK

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is really a point of order directed to the government House leader but I see he has disappeared. First of all, I was going to ask if all of us could be told when we are being let out, let alone when we are returning? I see the minister has now returned to the chamber. Second, is he correctly reported in *Hansard* of yesterday as saying the "piracy amendments to the Criminal Code" or did he really mean the privacy amendments?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I meant "privacy"; I think I did say privacy. On the question of dates, I should like to tell my hon. friend that we propose to put down a motion to adjourn this part of the session on Wednesday next, probably coming back on the Thursday as I have indicated already to the chief whip of the opposition.

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CANADA ELECTIONS ACT

REQUEST FOR CHANGE IN THE WAY DIVORCED MEN AND WOMEN ARE LISTED ON ELECTORAL LISTS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the fact that divorced women or women living apart from their husbands cannot vote in the forthcoming federal election unless they have the preface "Mrs." before their names on the list, will the minister, in the interests of achieving sexual equality, draw to the attention of the minister in charge of the Canada Elections Act the need for a rule change to require divorced men or men living apart from their wives to be listed as "Mr." on the electoral lists?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I shall draw that matter to the attention of the Chief Electoral Officer.

Mr. Knowles (Winnipeg North Centre): What about bachelors?

Mr. Speaker: I believe the hon. member for Joliette had a supplementary to a previous question.

[*Translation*]

Does the hon. member wish to put a question that is supplementary to the one he asked earlier?

AGRICULTURE

HOGS—PAYMENT OF SUBSIDY TO PRODUCERS OR JOINT PRODUCTION UNITS

Mr. Roch La Salle (Joliette): Thank you, Mr. Speaker. I should like to put a supplementary question to the Minister of Agriculture.

As several hog producers are now concerned about knowing in whose name the subsidy cheques will be made out by the federal government, can the minister tell us whether the cheques will be addressed to the producer or to the "integrator"?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the payment will be made to the producer and, of course, the upper limit is 200 hogs per producer. There are some difficulties in various parts of Canada because of the method of selling. We have asked producers, in making their applications, to provide us either with the grading certificates or the best evidence that they have. We will check this against plant records to make sure that all bona fide producers, but only bona fide producers, are paid.

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HEALTH

MEDICARE—POSSIBLE INCLUSION OF PARAMEDICAL SERVICES

Mr. Randolph Harding (Kootenay West): I have a question for the Minister of National Health and Welfare, Mr. Speaker, which is really a supplementary to a previous question. Will the government this session either amend the Medicare Act, if that is necessary, or change the regulations to include cost-sharing of paramedical services with any province which includes or wishes to include one or several of the paramedical services under its medicare plan?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as the hon. member may be aware, we have been negotiating with the provinces with respect to new proposals which would, in effect, replace hospitalization and medicare and provide a great deal more flexibility to the provinces to include paramedical personnel. We combined that proposal with a further proposal to make available to the provinces roughly $640 million in terms of thrust funds so they could get into new areas, one of the principal ones being the inclusion of paramedical personnel. The provinces are now considering these proposals.

MEDICARE AND HOSPITALIZATION—LIMITATION OF FEDERAL CONTRIBUTION UNDER GOVERNMENT PROPOSALS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question for the minister, Mr. Speaker. Are these proposals which the federal government is putting forward to the provinces contingent on the provinces accepting a restriction of the federal government's contribution to hospitalization and medicare pro-

grams and limiting the increase in any federal government contribution to the increase in the gross national product?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, that is an element of the proposals. The proposals have a twofold purpose, to halt the escalation in costs and to improve the efficiency of the health delivery system and by so doing respond to the provinces' demand for a greater say in the priorities. I might add, Mr. Speaker, that many of the provinces agree with the federal government that if the present projection in terms of escalation of health costs continues without some governmental action to limit the increase over the next few years, the growth will be so monumental that it might constitute a threat to the whole system we have developed in Canada which I believe is second to none in the world.

Mr. Speaker: Order, please. I have to interrupt the minister's statement. We have reached the end of the question period. Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker.

Mr. Speaker: We have reached the end of the question period. I believe the Parliamentary Secretary to the Secretary of State wishes to ask the House to revert to motions?

Mr. Faulkner: Yes, Mr. Speaker, I should like to have unanimous consent to revert to motions for the purpose of tabling the evaluation task force report.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—TABLING OF EVALUATION TASK FORCE REPORT

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, under Standing Order 41(2) I should like to table copies in French and English of the evaluation task force report.

[Mr. Douglas.]

• (1230)

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

On the order: Government orders:

March 15, 1972—Second reading and reference to the Standing Committee on Health, Welfare and Social Affairs of Bill C-170, An Act to provide for the payment of benefits in respect of children.—The Minister of National Health and Welfare.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a point of order. I hope that my point of order will be of interest to Your Honour. I think it will interest the government House leader. My point of order is based on the bill now before the House, Bill C-170. I submit, and this is my point of order, that the motion for second reading and reference to the Standing Committee on Health, Welfare and Social Affairs of Bill C-170 cannot now be considered. To do so, Mr. Speaker, would violate the long standing rule of the House to the effect that a question, being once put and decided in the affirmative or negative, cannot be questioned again but must stand as a judgment of the House. I submit that that is the accepted principle governing this House. Explanations of this rule will be found in May's Parliamentary Practice, Seventeenth Edition, at page 396 and following pages and at page 518 and following pages, and in Beauchesne's Fourth Edition, page 164, paragraph 194.

That is the procedural rule, Mr. Speaker. When applied to the situation now before the House, we find that the message containing the recommendation of His Excellency informs this House that the bill provides for amendments to the Income Tax Act. Clause 22 of the bill purports to implement this recommendation by amending section 120 of the Income Tax Act. Only a few days ago this House voted on Bill C-169, an act to amend the Income Tax Act. Having passed all stages in the House, Bill C-169 is now before the other place at the second reading stage. The Senate minutes for Thursday, March 23, 1972, under orders of the day, so indicate. Page 77 of the Senate minutes also indicates that on that day the other place adjourned until next Monday at eight o'clock in the evening.

Section 34(2) of the Interpretation Act, Revised Statutes of Canada, 1970, Chapter I-23, provides:

An Act may be amended or repealed by an Act passed in the same session of Parliament.

I want to make it clear that we do not oppose the principle of the bill before the House. What we oppose is the change that the government, in our view, has made in the bill. A bill similar to this one was introduced in the last session, I think as Bill C-264, and received first reading on September 13, 1971. Clause 21 or 23 of that bill regarding the repeal of the Family Allowances Act and the implementation of the new act provided that that section shall come into force on the 1st May, 1972. On a number of occasions throughout the previous session members on this side of the House pressed the government to bring forward this bill. There was general agreement in the

House to pass this bill so that the families of Canada, especially the middle and lower income families, could begin enjoying the new benefits by the target date of May, 1972. Clause 3(4) of the bill now before the House provides:

> No benefit is payable under this Act for any month in a benefit year for which an allowance is payable under the *Family Allowances Act*.

In other words, it is entirely at the discretion of the government when extra benefits will be available for the mothers of Canada, whereas under the previous bill a specific target date was set. Frankly, we are suspicious of the government's intentions in this regard. We suspect it is trying to play politics with this bill and save it as a tidbit before the election.

Some hon. Members: Oh, oh!

Mr. McGrath: I submit that because of the mismanagement of the business of the House, a mismanagement of which the government is guilty, this House, according to the rules and precedents which I have referred to in my point of order, is prevented from proceeding with Bill C-170 until Bill C-169 receives Royal Assent.

Mr. Speaker: Order, please. I tell the hon. member that I will have no difficulty ruling on the point of order he has raised. If other hon. members want to express their opinions, I will listen to them, although I do not think I will have much difficulty in ruling on the point. Of course, I do not want to prejudge the point, and if any hon. member wishes to add to the interesting point of order raised by the hon. member for St. John's East, I will listen. If not, I will give my ruling.

There being no objection, I will proceed. May I begin by referring to the well known rule to which the hon. member for St. John's East alluded. The long established practice of the House is that the House should not be asked to pronounce itself on a question in the same session on which the House has already decided or expressed itself, either by negative or positive vote. That rule, of course, applies to legislation which is proposed to the House within a single session. If a particular item of legislation is proposed to the House on which there is a decision, either in favour or against, it is against the rules and long established practices of this parliament and other parliaments to ask that the House decide again the same question or reconsider the same legislative proposal in the same session.

However, so far as I know, no decision has been taken by this House in the current session, which began a few days ago, which would preclude anyone from proposing legislation of the nature before us at present. May I also indicate to hon. members that there is nothing wrong procedurally with bringing forward two legislative proposals dealing with the same subject. If hon. members will look at our parliamentary papers they will see that on many occasions, and almost at any time, a number of legislative proposals were before the House dealing with the same subject. Of course, once a decision has been reached on one of those legislative proposals, then the House has decided and, within the same session—this does not apply to the following session—it would be irregular to ask the House to look at the same legislative proposal in order that there might be a new or renewed debate. That might lead us into the strange situation in which, within the same session, the House might reach two decisions on that proposal, one being contrary to the other. That is the logic behind the long standing practice and rule to which the hon. member alluded. I do not think it is possible for the Chair to agree that this very valid rule should be extended to the point where it would preclude the consideration of the bill now before us.

Hon. John C. Munro (Minister of National Health and Welfare) moved that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, in rising to speak on Bill C-170, which is now at the second reading stage, I should like to refer to the white paper tabled in this House over one year ago. In referring to family allowances, it pointed out that family allowances have lost their effectiveness over the years, as benefits have remained almost unchanged since their inception despite sharp increases in the cost of living. It further pointed out that, although the payments are a welcome addition to the limited incomes of poor families, the size of the allowance is relatively small. As a result, the white paper pointed out that the program has had a limited anti-poverty effect.

Payments per child of $72 to $120 a year, in essence the level of payments which our present family allowance program provides, cannot come near the annual cost of maintaining a child. It is estimated, for instance, that in 1971, about 24 per cent of family and youth allowance expenditures was paid to families with less than $5,000 income, and 76 per cent to families with incomes above this level. Many suggestions have been made in recent years that the family allowances program be made selective rather than universal. It is argued that money used to pay benefits to well-to-do families should be used to increase substantially the benefits payable to low income families.

Increasing the benefits within the existing structure, in other words, following along the philosophy of the present family allowance program, undeniably would involve massive increases in expenditures. One must take into account that current coverage involves almost 7 million children. When one takes into account the seven million children, and if we proceed along the universal route as presently embodied in the family allowance, each dollar added on to the present family allowance rates, again if universal, would mean additional expenditures of $82 million a year. To double the present rates would cost an additional $560 million. That is not counting youth allowances. With youth allowances providing coverage now for 670,000 youths, each dollar added to the youth allowances would mean an additional $8 million a year. To double the amount of this benefit, that is the youth allowances, would require another $80 million.

• (1240)

We see the tremendous expenditures involved when we start to double the rates and benefits under the present family allowances if we just double them and make them universal. We all know there are many other competing

demands, both within and outside the security system, for funds of this magnitude. Improvements and social assistance, social insurance and the guaranteed income provisions for the aged are a few examples. For the program to be improved at this time, an alternative is to convert it from a universal to a selective measure, directing more of the current expenditures away from the well-to-do toward the lower income families. This may not be well received by many who will lose some or all of the allowances they receive, but it will do a great deal for those who have greater and more pressing needs.

Any restriction in the family allowances program must, therefore, serve a two-fold purpose. It must assist families in poverty whose resources cannot adequately cover the needs of their children. It must also compensate families in the lower middle income range with the economic burden of raising children so that they can take their place in the society of the future. Achievement of both these goals must remain a key element in Canadian family policy. I refer to the opening statement of the white paper. As Canadians strive for a better social and physical environment, one of their goals is to ensure that everyone has an adequate income on which to live. The white paper provided a focus for eventual consensus on income security for Canadians. For instance, how best can the federal government play its role in relation to income security within a context of a federal study? Adequate income bears partly on the actions of the government and partly on factors beyond a person's capacity to control.

The role of government, and I am referring to the white paper statement, is to develop social and economic policies that will influence those factors beyond individual control in a way that will help people to reach this goal. Income security protects people by giving them additional money when their own resources are not enough to meet the needs regarded by society as being basic. It also replaces the income of people who have lost their earning capacity for such reasons as unemployment, maternity, sickness, disability or death of the family income earner. As one component of over-all social security policy, income security programs are strengthened by the other parts, health insurance and special services for social assistance recipients. These are two outstanding examples.

Although any new initiatives are necessarily limited by what is economically feasible, the economy must be enlisted in support of social objectives. The primary goal is human development. This opening statement of the government's position on income security was a starting point and was subject to the various modifying influences implicit in the white paper dialogue. It could not stand alone nor was it intended to stand alone.

The next step was up to the people of Canada, to citizens and their spokesmen in various other governments and organizations. The people of Canada participated in the dialogue and as a result FISP, the family income security proposals, provides a departure point for the future in the development of the guaranteed income approach for people in the labour force.

In the development of the Family Income Security Plan, a vigorous effort has been continuously made to keep the provinces informed of the proposals, to seek their views and request their suggestions. Several provincial governments were critics of the existing family allowances program. Visits were made to all provinces by myself and my officials to outline and discuss the nature and scope of the federal proposals with provincial ministers and their officials. A federal-provincial conference of welfare ministers was held at which the proposals were further reviewed and the views of the provinces obtained. A number of important changes were made. Again, I and my officials visited the provinces to discuss the modifications. Some further adjustments in the proposals resulted. Another meeting of the welfare ministers took place. Following the announcement of the plan in this House, additional talks were held with those provinces which wished further discussion.

I would like to talk about FISP in relation to income security in general in Canada. The FISP bill is the third step to improve the over-all income security program in Canada. The first step was the guaranteed income supplement for old age pensioners. The second step was the improvement made in the unemployment insurance program. The third step was a selective income security plan for families in the lower income brackets, namely the bill now before us. Under the bill, benefit payments doubled over existing family and youth allowances programs. Children under 12 will get $15 a month instead of $6 or $8. Children 12 to 17 will get $20 a month instead of $8 or $10. This is a program intended to provide income support. Income support alleviates poverty and reduces dependency among those people who have very limited means of support from other sources.

Typical of income support plans are the social assistance programs and guaranteed income plans. The income security system in Canada operates on three levels. First, there is income protection through various social insurance and universal payment programs to people who meet certain eligibility requirements, without regard to their current incomes from other sources. Some examples of this are unemployment insurance, Canada and Quebec pension plans, veterans pensions, workmen's compensation, old age security and family allowances.

The second level is income support to people whose incomes from other sources fall below specified amounts. This in essence is the guaranteed income approach. This would be represented by current programs such as the guaranteed income supplement for aged persons and the new FISP bill which is now before us. The third level, of course, is social assistance for people whose needs are not adequately met through their own efforts or through the programs operating on the other two levels I have just described. The universal payment plans such as family allowances and old age security allowances serve both as income support and income protection. Both are very costly in the effort to reduce poverty. Old age security pensions at $80 a month are continued because this is such an important element in the retirement plans of most Canadians; it provides the foundation upon which Canada Pension Plan and private retirement arrangements are based. But we have placed most emphasis on the guaranteed income supplement and raised it substantially. Of course, it takes other income into account.

• (1250)

With this bill, two universal payment plans are being replaced by a family income security plan based on the guaranteed income concept. The role of FISP is important. FISP benefits will provide a basic income for each child upon which can be built additional supports as deemed appropriate by provincial or municipal authorities. We know that unemployment insurance does not make any special provision for children. Neither do old age security, the guaranteed income supplement, the Canada Pension Plan retirement pension or war veterans allowances. Thus, FISP is designed to help families in the lower income groups.

Perhaps it would be possible for me now to deal with some of the details of the FISP proposals. The federal government has tried to ensure that the federal plan fits in with provincial priorities and social policies. Quebec, which has been closely involved in this, is the only province with a supplementary family allowances plan. And, as we know, Quebec administers its own youth allowances. Quebec has proposed a selective family allowances program along similar lines to the federal plan. The extension of FISP as envisaged in this bill will cover youths 16 and 17 years of age and will replace the youth allowances program. Benefits under the proposed legislation are not treated as taxable income.

The white paper suggested that benefits might be reduced by $1 per month per child for each extra $500 of income. We find after discussion with various people that a provision of these lines might act as a disincentive. The plan, therefore, calls for an adjustment of 30 cents for each $100 extra of income.

Mr. Knowles (Winnipeg North Centre): Isn't it 33 cents?

Mr. Munro: It works out in terms of percentage.

To make benefits selective, an income floor of $4,500 is established below which full benefits will be paid and above which benefits will be reduced as income increases. The income floor is raised by an additional $500 for each extra child in the family. The ceiling or cut-off point for benefits depends upon the number of children, their ages and the reduction rate. Benefits are, as I indicated earlier, $15 a month for children under 12 and $20 a month for children aged 12 to 17 inclusive. Two and a half million families will receive benefits. Nine hundred thousand families will receive maximum benefits. This would include children of the lower middle income groups and children of families receiving social assistance as well as most of the 150,000 mothers who are, by themselves, raising more than 300,000 children. It will be particularly helpful to families in communities where the amount of social assistance is low.

By this measure the government will be committing $820 million to the FISP proposals, a sizeable increase over the amount now expended on family allowances.

An hon. Member: How much is that?

Mr. Munro: Roughly $650 million.

The scope of the new FISP proposals is such that it replaces both family allowances and youth allowances. The plan takes into account the number and age of children in a family. As far as coverage is concerned, all children under 18 are covered. As far as benefits are concerned, I have already indicated what they will be. In connection with the reduction as income rises, I have indicated that benefits per child are reduced in one-child families with incomes above $4,500 a year and in two-child families with income above $5,000 a year. The income floor rises by $500 for each extra child. The plan introduces a reduction rate of 33 cents per child per month for each extra $100 of income, or $1.65 for each $500, above the floor set for families at that size.

The maximum income in one-child families beyond which no benefits are paid is $10,560 if the child is between the ages of 12 and 17 and $9,045 if the child is younger than 12. In the case of two-child families the figures are $11,060 and $9,545. For three-child families, if the children are aged between 12 and 17—and there is a mixture here between 12 and 17 and under 12—the figures are $11,560 and $10,045, and so on by $500 intervals. I repeat that FISP benefits are not counted as taxable income.

The House would perhaps be interested to hear what is counted as income in the determination of benefits. The income of a person includes all items of income subject to tax, plus unemployment insurance, scholarships and bursaries, adult training allowances and Canada Pension Plan and Quebec Pension Plan, orphans and dependent children's benefits. It does not include social allowances based on a means or income test. Family income is the income of both parents or substitute parents except in the case of separation or divorce or unwed motherhood. Where the adult members of the family contribute to family income, only the income of the adult responsible for maintaining the child and that of the spouse would be counted.

The Acting Speaker (Mr. Laniel): Order. I regret having to interrupt the hon. minister, but it being one o'clock I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Munro: Mr. Speaker, before the one o'clock break, I was referring to what was included in the calculation of income to determine the benefits which would be payable. I mentioned that it does not include social allowances based on a means or income test. Family income is the income of both parents or substitute parents, except in the case of separation, divorce or unwed motherhood. Where the adult member of the family contributed to the family income, only the income of the adult responsible for maintaining the child and that of the spouse would be counted. So far as the basis of calculating income is concerned, we have endeavoured to avoid the hardship to recipients with declining incomes. Options will be permitted allowing the substitution of an estimate of income in the calendar year of 12 times the average monthly income in the remainder

of the current calendar year instead of based on the previous year's income which is the usual case. So far as escalation is concerned, to ensure that FISP remains a significant program, arrangements have to be made to ensure that the income floor and benefit levels remain relevant as prices and incomes rise. To achieve this objective, periodic reviews by the Governor-in-Council will be made on the recommendation of the Minister of National Health and Welfare of the basic income floor and the maximum monthly benefit rates.

• (1410)

Perhaps I might now refer to the impact of the FISP proposal in terms of families affected. Full benefit under FISP will go to 1,249,000 families, or 35.5 per cent. Partial benefit under FISP, in terms of those who will be better off than under the present family allowances program, will go to 623,000, or 17.7 per cent of the total number of families affected. Partial benefits under FISP will go to families who will still be no better off than they were in terms of family allowances. This will happen in the case of 585,000 families or 16.7 per cent. Then, we have the total in respect of full and partial benefits, in other words, people who will be receiving all or part. This will involve 2,457,000 families or 69.9 per cent. Nil benefits will go to approximately 1,050,000 or 30.1 per cent. This is out of a total number of families of 3,516,000.

I should like to give an example of how this would work with reference to a family with an annual income of up to $5,500 having three children aged 7, 9 and 14. They receive under the present family allowances a total of $240 a year or $20 a month. Under the FISP proposal, that family would receive $600 a year or $50 a month incremental income. So we can see from an example such as this what a significant impact this program will have in terms of incremental assistance to those families in the lower income groups.

Mr. Speaker, I should like to refer to some well known authorities as a basis for the decision of the government to bring in FISP at this particular time. I shall refer to some submissions to the Senate Committee on Poverty. First of all, I shall refer to the submission of the Economic Council of Canada. I will paraphrase what the council had to say before the Senate Committee on Poverty. The Economic Council of Canada states that it is difficult to discover an authoritative statement of the fundamental objectives of the family allowances program in the circumstances of today. That, of course, has reference to the present family allowances program. Further, the Council states that this is not to say that family allowances and other long-established programs are not continuing to serve some highly useful purposes, but these purposes should surely be re-examined in the light of the many important economic and social changes in the last generation. One of the great uncertainties is the extent to which the existing structure of policies in fact constitutes an attack on poverty, the extent, that is, to which its benefits flow to those most in need.

I refer to another brief by a highly renowed body which is concerned in the social area, the Canadian Council on Social Development. I shall paraphrase its submission to the Senate Committee on Poverty. The Council believes that the ideal approach to a reformed family allowances program is a general family allowance plan that takes care of a substantial proportion of child rearing costs. The net benefits should be related more closely than now to other income resources.

I now refer to the brief of the province of Ontario, and again I am paraphrasing. The province is vitally concerned with the problem of the working poor, who are primarily low income families with children. Such families receive family allowances but their incomes are still inadequate for their needs since the allowances are not sufficient to raise their incomes to the poverty line. The needs of the poor are real. The leakage in the family allowances system cannot be justified in terms of public acceptability, simplicity of administration or a dubious anonymity. If the family allowances system is retained, it should be converted to a selective system which provides meaningful benefits to the poor and the near poor.

Then we have the brief by the province of New Brunswick, which reads:

> We believe it is essential that additional funds be invested in children to ensure that they have the capacity to compete, on an equal basis, during the years when they are obtaining the education and skills that are so important if they are to lead productive lives.
>
> In terms of human resource development, we do not think there is any group that is more important.
>
> The use of family allowances would go some way to solving the policy problems associated with establishing adequate minimum wage levels; establishing adequate welfare benefit levels; and providing strong incentives to work. Minimum wage levels, unemployment insurance benefits, and Workmen's Compensation Board payments all reflect the earning potential of the family head. They do not take into account the size of the family and its relative need.
>
> A restructuring of the family allowances program provides a means for ensuring that adequate levels of assistance can be provided under a needs tested welfare program without at the same time removing the incentive to work for employable persons with large families.
>
> If the increased allowances were combined with changes in the Income Tax Act designed to remove the benefit from those that do not need it we do not think the over-all cost would be great.

Now, I shall paraphrase the submission of the Canadian Labour Congress. For over a generation, Canada has recognized the problem of the cost of rearing children. Family allowances were introduced to supplement wage income in that connection since wages are not geared to family size. The value of family allowances has been seriously diminished by the fact that the scale of benefits has remained virtually unchanged since the introduction of the legislation in 1944. In the meantime, wages and salaries, prices, living standards and expectations as to such standards have risen very considerably. Accordingly, the role of family allowances as a contributing factor toward the well-being of the family with young children has gone down. We are not concerned with those families where wages, salaries or other income are adequate and where the family allowance benefit is no more than a minor supplementation to the total income enjoyed by the family. We are concerned about families with low incomes and particularly so where families are fairly large. In those circumstances, family allowances should play a much more important role. It is not simply a matter of increasing benefit rates. We believe that our family allowances system should be reviewed in order to cope more

realistically with the cost of raising children at various ages and with the much greater needs of families with many children as against those with only one or two.

There we have some of the outstanding organizations concerned with the poverty problem, and concerned with the incomes of our wage earners in the low-income groups, urging a more realistic family income security system that would bring much needed incremental income to these people most in need. In essence that is what this legislation would do. My closing remarks would be directed mainly to the official opposition. I have been encouraged over recent months by various questions put to me from members of the official opposition, particularly those from the province of Newfoundland. I refer to questions put by the hon. member for St. John's East (Mr. McGrath), the hon. member for Gander-Twillingate (Mr. Lundrigan) and the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), just to mention a few. If I interpret their questions correctly, I take it that the Official Opposition is much in favour of this legislation. They may have suggestions as to details that can improve it, but in terms of the concept, they are for it. If that is the correct interpretation of the posture of the Official Opposition, then I would expect that this legislation, which is for a very worthwhile social purpose, will commend itself to the House.

• (1420)

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, first of all I wish to congratulate the minister upon putting up such a good front with so little to base it upon. It is just over 25 years since the baby bonuses, now called family allowances, came into effect in Canada. They were masterminded by Mackenzie King and Jack Pickersgill. The reason for their introduction was the depression which had come to the country in 1929. Mackenzie King saw the effects of that depression over the years, and as a result brought in the baby bonus. I do not know why it was called baby bonus, because it was a family allowance from the start. Its purpose was to help relieve poverty in the homes and to increase the spending powers of those on low incomes. As I said, no thought was given to the needs of the child in establishing the baby bonus, the money was to go to the family unit to help that family. This plan came into effect in 1945, and we are much more affluent now than we were then. I heard the minister say what he had done, but let us take a look at what has happened since.

Between July 1945 and September 1971, which was the year FISP was introduced, the consumer price index had more than doubled and had reached the figure of 230.7. It follows then that if the baby bonus had kept pace with this rise, payments for a child aged 11 would have risen from $7 a month in July 1945 to $16.50 in September, 1971. I should like to ask the minister why this figure was not reached, in view of the present affluence and in view of the fact that he has brought the baby bonus up to only a certain level. He has put a ceiling on it. Why did he not go a little beyond that figure? Under this new bill, a child aged 11 will be receiving a maximum of $15, not $16.50 a month, and children aged 12 to 17 will be receiving $20 a month.

The point I am making is that we are not even restoring the buying power which was provided under the legislation in 1945, 27 years ago. Why is that? I say to the minister that he has taken a very timid step, and I congratulate him on that, but maybe somebody should have given him a push. Since 1961, personal income per capita has almost doubled, rising from $1,600 to just over $3,000. At first glance, it would appear that there are fewer people living in poverty, but let us not fool ourselves because the fact remains that inflation and unemployment have eroded the value of the dollar. There are more people below the poverty line than there were in 1961. Let us suppose that personal incomes double again over the next ten years. More and more people will find themselves disqualified because their incomes will have risen above the cut-off line, yet many of those disqualified people may be living at the poverty line. I say to the minister that, in view of all the money that has been put into circulation in the last two or three months, inflation is likely to come about in six months.

While I am on this point, I should like to ask the minister why he should have the discretionary power to say when family allowances should be raised. Why should it not be parliament, and why should it not be done every year in accordance with the rise in the cost of living? This is the same old hook that we had with old age pensions. The government is defrauding the public. I am not saying the minister will do that; I do not think he would, but why does he take the prerogative of making the decision himself, why is parliament not deciding?

I believe that the government should stand condemned for its handling of the constitutional negotiations over the last 16 months. We have heard repeatedly in this parliament vague and conflicting statements from the officials of the Prime Minister (Mr. Trudeau) and of the Minister of National Health and Welfare (Mr. Munro). After a further delay of six months, there has been the introduction of the FISP Bill C-170, keeping in mind that Bill C-264 died after its first reading in the House on September 16, 1971.

Let us take a look at Bill C-170. We find that there has been very little change, in spite of all the constitutional chit-chat in the meantime. No mention is made of the new arrangements for joint federal-provincial participation in family allowances, as was suggested by the Prime Minister himself in the letter to the premiers of March 9, 1972. There is not even a mention of it in the present Bill C-170, and the minister made no mention of it today. In other words, we have a bill before the House that will likely be amended over and over again by the cabinet, after consultations with and suggestions from the provincial governments to make it more acceptable to the provinces so that the constitutional deal can be completed.

I ask the government: why did they not pass the original Bill C-264 last September, since the amendments could have been introduced later and families could have been receiving their new family allowances at a much earlier date? Of course, the joker in the whole thing is that for every month they can delay the implementation of the Family Income Security Plan, Canadian families lose $13 million a month.

Mr. Béchard: That was not the argument in 1944.

Mr. Rynard: It is rather interesting to think of the sinister motives which might lie behind the government's action, in view of the fact that today is the day of the Newfoundland election. It is peculiar that they should have taken this long to introduce it. It is a good thing that the Newfoundland election is today or the bill might have been delayed longer.

Is it not peculiar that there is no date set for implementation in the bill? The minister never gave any indication as to when he was going to implement it, nor is there any date established for the signing of agreements with the provinces. When the Newfoundland election is over, will the bill be left on the order paper with just a few days debate? These are questions that should be answered. I am disappointed in the minister. I like him; he is a nice fellow, but he did not give us very much to go on.

• (1430)

As to the bill itself, there is no quarrel with the fact that families with children have needs that families without children do not have. No one quarrels with this, particularly when one considers that in the year 1944 some 84 per cent of Canadian children under the age of 16 were dependent on only 20 per cent of the gainfully employed. Unquestionably, this plan helped to ensure a little more income for the family unit, while avoiding grants that would diminish work incentives. That was the picture in 1944. Now, we see the minister penny pinching, and not even maintaining family allowances at the original level of their purchasing power. Of course, these allowances which are received by families are used to buy consumer goods, thus helping the economy of the country as a whole.

When family allowances were introduced on July 1, 1945, every child under the age of 16 years who was born in Canada, or who had resided in Canada for one year and complied with the school children attendance laws of the provinces, was covered. Later on, the one year's residence clause was eliminated if the child was supported by an immigrant who had permanent residence in Canada, or by a Canadian returning to Canada to live permanently. The family assistance was paid for a period of one year until the child became eligible for family allowance.

Over the years changes have been made. When family allowances were first introduced, the benefits were $5 up to age six years, $6 from six to nine years, $7 from ten to 12 years, $8 from 13 to 15 years, and monthly allowances were reduced by $1 for the fifth child, $2 for the sixth child and $3 for the seventh child. These restrictions were removed in 1949. In 1957, the regulations were again changed, and the new rates were $6 up to ten years and $8 from 10 to 15 years. Some of the provinces also had their own supplementary benefit plans.

In December, 1970, the government issued a white paper setting out a cut-off point at an income level of $10,000 per year. Monthly benefits would no longer be paid according to the age of the child, but would be regulated on a sliding scale according to income. Family allowances were to become taxable, and youth allowances were to remain unchanged. That is one good thing the minister has done, but it is amazing that, on one hand, the government taxes unemployment insurance benefits and other benefits, and on the other hand, does not tax these benefits. This is a hodge-podge jungle that we are getting into with some things being taxed and some things not being taxed.

The white paper recommendations were never put into legislative form. Bill C-264 was introduced in the House of Commons in September, 1971, as I have stated, and it retained some of the features of selectivity, and included 17 and 18 year olds. In brief, Mr. Speaker, family allowances would be paid to all dependent children under 18 years according to family income, with a limit of ten children for a family with an income of $15,000 per year. Up to age 12, maximum benefits would be $15 per month, and for ages 12 to 17 years benefits would be $20 per month. The family gross income floor was set at $4,500.

I would like the minister to tell me how he picked that figure of $4,500? Why wasn't it $5,500 or $3,200?

Mr. Munro: I took the poverty line from the economic conference study.

Mr. Rynard: What year was that fixed?

Mr. Douglas: It is a sliding scale, too.

Mr. Rynard: That is correct, and it is my opinion that this sliding scale will necessitate a great increase in staff. I think the minister himself admits that it will mean a doubling of staff. There will be a bureaucratic administration, the cost of which will be high and which will not benefit the family. The cost will be extracted from the taxpayer. This bill alone will involve the expenditure of around $800 million in its first year of operation. I do not think the minister gave this figure.

Mr. Munro: Eight hundred and twenty million dollars.

Mr. Rynard: I note that the government has anticipated more than a doubling of staff. I think I am correct in stating that around 1,500 people will be required to administer the scheme. This will cost the taxpayers $12 million for administration. It is a bureaucratic jungle.

Mr. Munro: The cost of administration is only 1½ per cent. It is better than any private scheme.

Mr. Rynard: Could these things not be all put together rather than have a mish-mash like this? Can they not all be placed in one department? Sometimes I wonder if the ministers ever get together and talk things over. In the field of welfare, we are getting into an administrative jungle. I believe it was the hon. member for York East (Mr. Otto) who said that less than 10 cents out of every dollar goes to the person who needs welfare. I do not think that has been disputed. As a matter of fact, I believe the figure is about 9 cents out of every dollar. When I see some of the things that are being done today, I wonder how long we can continue on our present path. It is my opinion that an income security scheme, administered through the income tax structure, could accomplish the desired end as effectively. It would decrease the number of administrative bureaucracies connected with welfare. In effect, it could wipe them out.

Turning to another point, Mr. Speaker, recently the minister told me that he would have enough nurses trained and put into practice. I wonder what fees he will

pay them. At present we have nurses serving communities and their charges are just about the same as the charges that doctors impose. How is the minister going to get around that? Apparently the minister looks quite surprised at what I am saying. I will give him facts and figures.

Members of the government say they are helping the poor. How are they helping them? I want to talk about the chronically ill, and they are not all old people. Some have had paralytic strokes at age 50. I saw a fellow the other day who was a cripple and he was no older than the minister. These people have to go to hospitals for the chronically ill and to nursing homes, and they are charged a $3.50 a day deterrent fee.

What a magnanimous government we have in this country. These people need nursing care, medicine and doctors. They are the very people for whom services should be provided free. Let us not boast that we are helping the poor. I could tell the minister about a dozen places where the poor are not helped, where the poor and the sick lie silent, and nobody talks about them. I know the minister will say that these things are within the jurisdiction of the provinces, but the government introduced national medicare and has a responsibility to see that it works effectively.

Mr. Munro: Were you for it when we introduced it?

• (1440)

Mr. Rynard: Mr. Speaker, the minister asked me if I was for that. I want to tell him that I was. I also want to tell him that I mentioned the 30 per cent of doctors' bills that they were having trouble with and asked that this be covered. If that had been done, we would not be in this mess today. The government does not know whether or not it is going broke, but it is not providing the doctors or the service.

Mr. Munro: Talk to Premier Davis!

Mr. Rynard: The other day the minister spoke about services and so forth, but services are not being provided. Why are the universities not open during the summer in order to train the doctors that are needed? The minister speaks of pre-examinations and clinical check-ups to keep people out of hospital—

Mr. Munro: Talk to Premier Davis; he is in charge of education.

Mr. Rynard: This government introduced medicare, and it is their responsibility to talk to the provincial premiers. Mr. Speaker, I will go with the minister and talk to the premier anytime he says.

Mr. Munro: I might take you up on that.

Mr. Rynard: I will be glad to go, because I feel very keenly about this. The minister said that he wanted to practice more preventive medicine but, Mr. Speaker, there are not enough doctors to look after the sick, so where are we going to get doctors to practise preventive medicine? The minister spoke of setting up a clinic but what an impossible situation that is. Now, we are coming into the summer holidays and the universities could be running summer semesters for medical students. This plan would not cost anything because the cost would be recovered in income tax paid by the students as soon as they begin to practice. Mr. Speaker, I believe it is a well accepted principle that there is a tendency for families with a large number of children to have lower incomes. I think it is also reasonably well accepted that family allowances do not encourage couples to have children. There is no doubt about this, since studies have shown that family allowances are not an incentive to increasing the birth rate.

It is interesting to note that Dr. Willard, Deputy Minister of National Health and Welfare, cites as a major error the use of gross income rather than net income in establishing cut-off levels, and says that while there is evidence of the role of family allowances in reducing poverty, it is flimsy and incomplete. It is a pretty weak crutch on which to lean. I believe it is only fair to say that family allowances, as suggested in Bill C-170, will play only a very small role in reducing poverty. There have been many sociologists who have stated outright that this bill will do little to combat poverty. Perhaps we could add that it will do a little levelling between the rich and the poor but the crux of the whole problem is to provide greater opportunities, more work and more jobs for more Canadians so that they can look after themselves.

Some hon. Members: Hear, hear!

Mr. Rynard: The very fact that these larger family allowances are needed, and the number of people who are unemployed, give silent testimony to the fact that the challenge is not being met by this government. This measure is only a stop gap. At best, FISP will not even restore the buying power of the family allowance of 1945. It is not a new advance. It has not even broken new ground. It is only restoring part, not all, of what has been lost because of the selectivity factor which cuts off families in the higher income brackets. Not only does this bill fail to close the gap between the buying power of the family allowance cheque in 1945 and the buying power of FISP cheque today, it does not include an automatic escalator clause to keep pace with this inflationary government.

Mr. Speaker, I do not think the minister is such a bad fellow, but you never know who might be in that portfolio next! It is true that at the whim of the Minister of National Health and Welfare, benefit levels may be raised but that is not automatic. As a matter of fact, the principle of FISP is at odds with other social security schemes. We have universality in medicare and unemployment insurance, but we have selectivity in FISP. Why? Working wives, for example, will be compensated for day-care costs up to a certain sum, and maternity benefits are paid by unemployment insurance, but FISP penalizes the working wife by cut-off levels being based on gross family income. In other words, she is penalized for working.

Actually, this aspect hits poorer people harder than anyone else because the wife goes out to work and her added income results in getting less money for the children through family allowance. This seems to me to be grossly unfair, and the cut-off level should be based on net income after deductions rather than gross income. In

this way, personal income tax exemptions and day-care exemptions will have their full effect for the working wife. Let us take a look at the man who receives a raise of $1,000. He pays taxes, unemployment insurance and pension contributions. The single man earning $7,000 would lose 33 per cent of that raise in tax payments; the man with a wife and four children earning the same salary would lose 47 per cent; and the man with a wife and four children earning $11,000 would lose 33 per cent.

In closing, I want to say to the minister that I think he and the other ministers concerned should get together on this measure because they do not seem to know what they are doing. They look at the various schemes, but they do not blend them together. I am not blaming the minister. Perhaps these ministers commune with somebody higher than parliament, I don't know, but if they do only God knows!

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

The Acting Speaker (Mr. Boulanger): Does the hon. member agree to accept the question?

Mr. Rynard: Yes, Mr. Speaker.

Mr. Munro: I have some difficulty detecting from the hon. member's speech whether, in terms of principle, he is for this legislation or against it. Which is it?

Mr. Rynard: Well, Mr. Speaker, this is typical of the minister, and the way in which he established these allowances, because nobody knows how much he wanted to help the poor people. I suggest that he made a very poor attempt at giving them something. We are a lot more affluent today than we were in 1945, but that has not helped the poor very much. I have been trying to urge the minister to see that these people are looked after in a better fashion, instead of having a lot of money going into administration expenses. The ministers in charge of welfare and of manpower ought to get together to discuss this thing and come up with something to really help the poor.

Mr. Munro: Are you in favour of it in principle or not? Which is it?

Mr. Rynard: Mr. Speaker, I do not think for one minute the minister is so dense that he does not know I am in favour of it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Simcoe North (Mr. Rynard) made a few references to the history of family allowances which, as he pointed out, came into effect on July 1, 1945. Some of us have to be careful that we do not paint ourselves too far back into history, but these references recalled to my mind the debate in 1944 when the Family Allowance Act was passed. There are only three of us still in this House of Commons who were members of the House in 1944. I refer to the right hon. member for Prince Albert (Mr. Diefenbaker), the hon. member for Ottawa Centre (Mr. McIlraith) and myself. My good friend, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), had been here before that but had gone to the province of Saskatchewan so that he could take certain steps which would force other governments of this country to give more favourable consideration to social security legislation.

• (1450)

The debate of 1944 was a dramatic one. I was just thinking earlier how times have changed. This afternoon the Minister of National Health and Welfare (Mr. Munro) had to wait for a number of minutes before he could continue his speech. He had to wait for a quorum to arrive in the chamber. Back in 1944, the attendance during that debate was greater than usual. There were a number of dramatic occasions. Perhaps the one most remembered by many around here was when a distinguished and greatly respected member of the House, the late Dr. Bruce, was named and put out of the House for the balance of a day's sitting because he had refused to comply with the Speaker's request to withdraw the word "bribery", which he had applied to Mackenzie King's action in bringing in the Family Allowances Act.

Another moment of drama arose when the then Prime Minister, Right Hon. W. L. Mackenzie King, referred to the humble poor. That phrase, coming from his lips, produced laughter on this side, and actually occasioned a remark, recorded in *Hansard,* by the hon. member for York East, who then was Robert McGregor. He had the reputation of having sat silently in this House perhaps longer than any other member. At any rate, in that debate a remark by Mr. McGregor got on the *Hansard* record. The other dramatic part of that story involved the recorded vote on second reading. When the Speaker called for the yeas and nays, some ventriloquist made a noise which sounded like nay. So, the government members stood up and a recorded vote was taken. It turned out, when the vote was taken, that everyone present voted yea. It was one of those unanimous recorded votes. Liberals, Conservatives, CCF members, as our group was then known, and Social Credit members from Alberta all voted yea. Mr. William Golding, the late member of this House who later went to the other place and, still later, to another place, said afterwards that he was paired with the hon. member for Parkdale, who then was Dr. Bruce, but that if he had voted, he would have voted for the measure. That, of course, implied that Dr. Bruce who was then not present, would have voted against the measure. He never confirmed or denied that.

That was one of those interesting occasions when a measure was passed at second reading on a recorded division, with no one voting nay. When we got to third reading and the vote was called, *Hansard* merely recorded the bill as carried. No one said nay at that point, or even "on division". So, there we passed a piece of legislation that was very contentious and about which there was a great deal of feeling. Hon. George Drew was making noises in Ontario about this being done for Quebec; some threatened to take the bill to court, and so on. Some even charged on the floor of this House that the bill was an election gimmick. Mr. King dealt with that insinuation in the typical Mackenzie King fashion. By the way, I agree with one remark that Charles Lynch made in one of his columns a few days ago. He said that we should not forever be likening the Minister of Veterans Affairs (Mr. Laing), and the President of the Privy Council (Mr.

MacEachen) to Paul Martin. He says that they are really talking the way that Mackenzie King talked.

You know, Mr. Speaker, Mackenzie King dealt with the election propaganda charge in a manner that only he could get away with. That legislation was before us in June and July of 1944. He stood up with all the solemnity he was capable of mustering, and he was always pretty solemn, and said, "This is not an election promise; I have written into this bill that these payments will not come into effect until July 1, 1945, and everyone knows that under the constitution there will have to be an election before then." So, this was not election bait. The bill just happened to pass in 1944, and it just happened that an election was called in June, 1945, and the Liberals were able to say, "We have got this piece of legislation through, and you will get the benefits on July 1." No, it was not election propaganda—by no means. Good old Mackenzie King!

Mr. Douglas: They cannot say that this time.

Mr. Knowles (Winnipeg North Centre): As I say, 1944 was a dramatic year and interest in the bill was keen. Attendance was good. It is noticeable, as we talk about this bill on Friday afternoon, that although there are quite a few people in the galleries, there are not many members in the House, even though this will have far reaching implications. It changes not only one of the basic principles of the Family Allowances Act, as put on the statute books in 1944, but taken with the guaranteed income supplement and statements made by the minister, it pushes still further ahead the principle of selectivity instead of the principle of universality. Actually, this government is changing the whole approach to social security programs that Mackenzie King and Louis St. Laurent built up over several decades. For the moment, I shall concede that the way we should approach this matter is debatable. I have my views and the minister has his, and we can still talk to each other despite our differences. But I think it is unfortunate that, when so major a piece of legislation is before us as this legislation, there seems to be so little interest in it on the part of members of the House of Commons. I am not complaining about the number of members who happen to be here while I am speaking. I am thinking of how small the attendance was when the minister himself brought in this legislation.

I should like to say a word now about the way in which the minister and the government are perverting their own white paper technique. I concede that under our system of responsible government, the government has the right within its council chamber to work out its legislation, lay it before the House in final form and to say that it shall stand or fall on the basis of that legislation. That is the kind of responsible government we have, and that is the way the prerogatives and the initiatives of government work. Yet, it is this very government that said it wanted to change all that, that said it wanted to develop the concept of participatory democracy and to develop the idea of involvement—

Mr. McGrath: Ha!

Mr. Knowles (Winnipeg North Centre): —of the people and of parliament in the decision-making process. Mr. Speaker, those are not my words. Those are the words of the Prime Minister (Mr. Trudeau). He stresses all the time words like "decision making process", "participation" and "involvement". This really is as nonsensical as some of the things Mackenzie King used to say. And what did the minister do? He brought down a white paper entitled, "Income security for Canadians" and tabled it on November 30, 1970. It had in it a number of sections dealing with a number of areas. The two main ones were old age security and guaranteed income security for families.

The idea behind a white paper is that the government puts its ideas before parliament and before the country in a tentative way, presumably to let us participate in making the final decision. I thought when we got the white paper on income security, that that was what we were to do. I thought we were to be given a chance to participate in the making of the final decision. Everyone knows what happened. What happened to the old age security portion of the white paper is a matter of history.

As I say, the white paper was tabled on November 30, 1970. The bill to amend the Old Age Security Act, Bill C-202 in that session, was given first reading the next day, December 1. It was called for second reading on December 2. It went through all stages in the House, was given third reading and passed on December 17. It went through the Senate and was given royal assent on December 18. There was no practice of the white paper technique with regard to old age security changes at all: we got the white paper one day, the next day the process of making the change forecast in the white paper was started, and 17 days later it became law.

• (1500)

Mr. Munro: That bill was not necessarily the last word in the old age pension scheme; you said that yourself.

Mr. Knowles (Winnipeg North Centre): My good friend, that is the finest thing you have said today. I hope *Hansard* recorded it. That bill is not the last word.

Mr. Munro: No, and we say it in the white paper.

Mr. Knowles (Winnipeg North Centre): It is nice to have it confirmed. I wish the minister would act on that.

Mr. Munro: Have you now changed your mind about the white paper technique?

Mr. Knowles (Winnipeg North Centre): No, but the government has altered the technique. The things that this white paper proposes respecting old age security were enacted immediately, without any chance of parliament to discuss them as white paper proposals. I thought, with respect to income security for families, that the white paper technique would be carried through, Mr. Speaker. But today is March 24, 1972, this white paper was tabled on November 30, 1970—a year and four months ago—and in all that time it has not been referred to a committee of the House of Commons. We have had no opportunity in committee to discuss the proposed changes respecting family allowances. We have had no opportunity to take part in the participatory process that the Prime Minister (Mr. Trudeau) said he was introducing to make things better in parliament.

Mr. Munro: The Senate Committee on Poverty had a chance—

Mr. Knowles (Winnipeg North Centre): Don't throw the Senate committee at me.

Mr. Munro: You expressed your views on that, or at least your party did.

Mr. Knowles (Winnipeg North Centre): I shall get around to the Senate Committee on Poverty in a moment. Because of what I am going to say to the minister, I remind him that he is my friend. My point is that we are still being handed the same process we have had down through the years with Liberal governments. They decide what is to be put before us; they put it before us and we have to take it or leave it. As I say, under the responsible government set-up that we have, that is their right. But it is the Prime Minister and the cabinet colleagues around him who have said they want to do it differently. They want parliament to be involved. We have had no chance at all to be involved in this.

We now have a bill before us in complete form. The minister found it necessary to ask the hon. member for Simcoe North (Mr. Rynard), are you for or against it? The minister thinks he put the hon. member on the spot. If he puts that question to me I shall tell him where we stand, if he has any doubt.

Mr. Munro: I am not going to ask you.

Mr. Knowles (Winnipeg North Centre): My point is, no wonder the attendance is low in this House. No wonder there is lack of interest. We have been fed the notion that we would participate in the process, but we are not getting the chance to do so.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): We can have this debate on second reading and express our views. Then the bill will be shipped off to committee where we will be permitted to go through it clause by clause. However, will we be able to get anywhere with basic changes in the concept of this bill? No. The only changes made in this bill will be those agreed upon by the Prime Minister of Canada and the Prime Minister of Quebec. The Prime Minister of Canada told Prime Minister Bourassa in a letter that if they reached agreement on provincial participation in this regard, the necessary amendments could be made to the legislation as it was going—

Mr. Béchard: You sound like Drew in 1944.

Mr. Knowles (Winnipeg North Centre): The hon. member knows better than that. I think I have made my point. It is the same old "take it or leave it" technique—and it comes from a government that said it would use the white paper technique!

I am recasting the line of development of my argument because of the interjection of the minister about the Senate Committee on Poverty. I will give the minister the benefit of the doubt because maybe the speech writers did it for him, but I thought it was less than fair of him to read us quotations implying that certain well known organizations in the country support the principle of this bill which in the main includes cutting off some people and paying only certain individuals. He referred to the Canadian Council on Social Development—but did he quote what that council said with regard to the Family Income Security Plan? No. He paraphrased what that body said before the Senate Committee on Poverty when it was dealing with the question of poverty in general. Even in his paraphrase he was not able to say categorically that the Canadian Council on Social Development is in support of this bill.

Mr. Munro: Of course not.

Mr. Knowles (Winnipeg North Centre): The minister says, "Of course not". But he stood here and tried to give the impression that the Canadian Council on Social Development, the National Council on Welfare, the Canadian Labour Congress—

Mr. Munro: I said they thought we were doing something meaningful in respect of family allowances.

Mr. Knowles (Winnipeg North Centre): I am not going to paraphrase; I am going to put a quotation on the record. This is from the comments and recommendations by the Canadian Council on Social Development on the Family Income Security Plan proposed in the federal government white paper "Income security for Canadians", 1970. This is a policy statement issued in 1971. I quote from page (iii):

> The council believes that:
>
> Family allowances should be universal, paid to all families with dependent children as a social right thus avoiding divisiveness among families and any element of stigma. The present program—

That is the family allowances program.

> —has this feature but FISP would eliminate it.

That is an open condemnation of this bill in changing from the principle of universality to selectivity.

Mr. Munro: No, it is not.

Mr. Knowles (Winnipeg North Centre): I suggest that the minister read these documents before making interjections.

Mr. Munro: Do they say how we are going to recover the money?

Mr. Knowles (Winnipeg North Centre): On page (iv) they deal with the question of universality and selectivity. They say they believe in selectivity within universality. In other words, they are prepared to have arrangements made for the tax of those in the higher income brackets to be adjusted so that most, or 100 per cent, of it is recovered.

Mr. Munro: Now we are getting at it.

Mr. Knowles (Winnipeg North Centre): Now, now! They come down squarely for a plan that maintains universality and avoids the concept of putting some people into the position of being stigmatized because they are getting something that others do not get. I ask the minister to read page 10, and I quote:

> Family allowances should be universal: i.e. paid to all families with dependent children. As such, they would be accepted as a

basic social right and would avoid the division of these families into the "haves" and the "have-nots"—

Mr. Munro: What happens if you pay it out and then take it all back?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am prepared at any time to deal with that at length. What I am pointing out now is that the minister misled the House when he told us that the Canadian Council on Social Development supports this bill.

Mr. Munro: I did not say that.

Mr. Knowles (Winnipeg North Centre): Let me finish the sentence I was quoting.

—would avoid the division of these families into the "haves" and the "have-nots", eliminating any element of stigma in receiving the payments. This result is certainly evident in the present family allowances program in which the entire "community" of such families participates.

I find the same kind of comment in a statement on income security prepared by the National Council of Welfare which was also issued in April, 1971. I am looking at page 18. This is the kind of criticism I would make of this plan. It is the kind of criticism I made of the guaranteed income supplement proposals. Here it is, from this important body, the National Council of Welfare, set up under federal legislation:

• (1510)

The proposed family income security plan is very much similar to the OAS-GIS revision in that it proposes that the increased benefits for the poor with families be financed by the not-so-poor with families. This presumably explains its total lack of even pretensions to adequacy.

We have called it a redistribution of poverty. There we find the proposition clearly stated by the National Council of Welfare. The minister also quoted what the Canadian Labour Congress said when it appeared before the Senate Committee on Poverty about the desire for a more realistic approach to family allowances. He tried to paraphrase this into support for the bill before us, but even by paraphrasing he could not do so. The position of the CLC is that family allowances should be related to the cost of rearing children. Yes, the plan should be more realistic and imaginative but the Canadian Labour Congress has never supported the idea abandoning the universality feature of family allowances.

Up to this point, Mr. Speaker, I have been trying to set the record straight with regard to what some outside bodies have had to say on this matter. Now I should like to say a few words about the legislation before us. There is one feature of it that is good. It provides for higher allowances, at least to those who will receive allowances. It is a crime, as the hon. member for Simcoe North said, that the rate has not been increased long before this. Except for the reduction from four categories to two it has not been changed since 1945, and it is good that a change has at last been made. But that is about the end of my capacity to say what is good about this bill.

Let me point out some of the things that are wrong. First, the complexities of this scheme make it just about unworkable and will make it incomprehensible to most of the Canadian people. Families will need computers in order to figure out their entitlement. What is the information which would have to be fed into these computers: the number of children, first of all, and just where they fit into the various age brackets. Next, statistics about the family income, and in the case of persons whose income is not steady from year to year estimates will have to be included because this will affect the point of cut-off and the amount of benefit per child. As the Canadian Labour Congress says, this will produce anomalies and difficulties out of keeping with all the fuss the government is making about the change.

The minister likes to speak of this bill as if it were a means of helping the poor. Mr. Mackenzie King, too, wanted to help the poor. I am glad to see the right hon. member for Prince Albert (Mr. Diefenbaker) has come in and is now in his place. I want to tell him that earlier this afternoon references were made to the origins of the family allowance legislation, and I recalled certain incidents in 1944 when the bill was put through the House. I mentioned that only three of us who were there at that time are members of the House today—the right hon. member for Prince Albert, the hon. member for Ottawa Centre (Mr. McIlraith) and the member for Winnipeg North Centre; and we three voted for it.

Mr. Diefenbaker: That is one occasion when we were all right.

Mr. Knowles (Winnipeg North Centre): Yes, we were right then and we are right now. I was saying that the minister talks about doing something for the poor. That is a very nice line of talk but it is pretty hollow when one considers what the government has done in the field of income tax. What was done in Bill C-169? We provided for a 3 per cent tax reduction for individuals, amounting to a few dollars for the poor and many dollars for the wealthy. That is characteristic of the whole income tax structure. The small attempt to reshuffle which is involved in the bill before us does not counteract the basic unfairness of the income tax structure as far as ordinary people are concerned.

What I dislike most about this bill, though, is the decision once and for all to cut off payments at certain levels of income. I know there is a lot of popular support for this idea, especially from those who are below the levels set in the bill, although not so much from those whose incomes are just above those levels. My objection is not so much to the administrative difficulties which are encountered or the complaints we shall undoubtedly receive from those whose incomes are in the $11,000 to $14,000 a year range. There will be lots of them; people will write to us about their special circumstances, complaining that even though so-and-so earns $1,000 less, certain conditions which affect them and do not affect the other person make it unjust that one should get the allowance and another should not.

My real concern is that we shall be moving one step further toward the idea that our security and welfare programs must be placed on a basis of selectivity rather than universality. The minister speaks at length when we get into this argument and thinks he has it over me like a tent because he can announce three points, three principles or priorities governing the way in which programs

should be set up. He did so last night and he did so again this morning. The arrangement differed slightly but in essence the list was the same. This morning he mentioned three things: (1) social insurance and universal payments; (2) income support; (3) social assistance. Last night it read: (1) social insurance; (2) demogrants; (3) service. He sets out these schematic areas, and because his proposal fits into them he thinks that makes it perfect. But I say to him that this scheme under three headings is altogether arbitrary. The whole business should be looked at in the context of where society is going.

Society is moving away from the work ethic. Society is going in the direction of a guaranteed livelihood for our people. I am not thinking, now, about a guaranteed annual income in terms of negative income tax, and so on. The minister knows enough to understand that I am not being inconsistent with my ideas on universality, because I have a different definition of a guaranteed income. But today society is going in the direction I have indicated and it is a good thing that we in Canada already have some programs which correspond with this development.

Already there is any amount of evidence that the government is not opposed to the giving of large amounts of money to people for doing nothing or next to nothing. Right now, under such programs as Opportunities for Youth, LIP, DREE, and so on, all kinds of money is being thrown around. Then there are the training allowances and all the rest of it. I am not criticizing these things. I believe some of these things have to be done and they are probably a foretaste of the future. We may reach a point at which, as I read in a paper the other day, welfare is not just a peripheral concern of government but the main business of government.

• (1520)

I think we will come to the day when we shall have universal grants and allowances, when people will have the right to live at a decent standard of living whether or not they have a job. So long as you take the other approach and give government money to people because they are poor, because they are have-nots rather than haves, then you keep them in that category.

I think it is good that old age security was universally applied. It is also excellent that family allowances have been universally paid to all families in the community. But once you get to the point where certain families draw family allowance and other families do not, if that continues it means the children of those families will be recipients of family allowances and they will be the next generation's have-nots. You will perpetuate the division of this country into those who have and those who have not. That is what this kind of program does and it is why I am concerned about it.

As I say, this concerns me even more than the mail that I know we will get from people who are denied family allowances because they do not have a sufficient number of children or because they are just over the income level set by the minister. Therefore, I think the government should have paid more attention to the proposals of the Canadian Council on Social Development; the government should have continued the principle of universality.

[Mr. Knowles (Winnipeg North Centre).]

I agree that under that kind of scheme family allowance payments should be subject to taxation, perhaps through a special scheme of taxation so that those in the higher income brackets actually pay it all back. Indeed, they might be put in the position where it is not to their advantage even to apply for family allowance; but at least the matter should be left so they can apply. There may be cases where they would want to, cases where the husband would say to his wife, "Let us apply for the family allowance so that you will get the money, and then I will pay it back in income tax."

Mr. Munro: If you put it through the tax system they automatically get it.

Mr. Knowles (Winnipeg North Centre): I say that relating it to the tax system is a good thing to do. At this time in our history there is a considerable trend in favour of equal rights for men and women. There was an interesting question on that point this morning put by the hon. member for Vancouver-Kingsway (Mrs. MacInnis). For the past 27 years this is something the mothers of Canada have had: a cheque has been coming into the house in the name of the mother. It was hers. For the million or more families in the category to which the minister refers, these cheques will now cease. Even if it were the case that the mother received the payment and the wage earner had to pay it back in income tax, I think in principle it would be better to keep it that way.

I know what we are up against here, that is, that there is a certain popular notion that it is a good idea to make this money available to the public. If we did give an adequate amount of money to the poor, then that might be a matter to look at. But we do not. We are up against a system in this country where the government makes a decision and that is it; we are stuck with it, the white paper technique notwithstanding.

I am as convinced as I am of standing here that Canada was right when it started to move in the direction of universality with respect to old ages security and family allowances. That is a principle that we should be extending. The government is going the wrong way in trying to reverse this trend by imposing these tests, whether you call them needs or income tests. This approach does precisely what the National Council of Welfare said it does; it makes the not so poor pay for the poor. It also does what the Canadian Council on Social Development said it does; it divides the people in our land into haves and have-nots. That division is with us already and it should be the task of government to lessen the division, not widen it.

Yes, Mr. Speaker, the clock seems to move just as fast when one has 40 minutes to speak as when one has 20, as was the case yesterday, but there are one or two other matters I should like to mention. I am terribly concerned about the situation between Ottawa and the provinces on this question. In thinking about this matter this morning I resolved that I would not say anything about the matter unless the minister did. He did not, yet here am I deciding that something should be said about it. The correspondence tabled some days ago by the Prime Minister which has passed between him and the Prime Minister of Quebec indicates that negotiations are going on between Ottawa and that province in regard to some kind of

arrangement under which Quebec could alter the scheme provided it did not claim more federal money than would otherwise be available. Another condition is that for any province to do this, the province would have to spend an amount equal to 15 per cent of the total amount spent in this area.

I recognize the growing strength and responsibility of the provinces, but it is interesting that so far as I can ascertain none of the other nine provinces wants this kind of arrangement. None of the other nine provinces wants to have a say as to how the money will be distributed if that would mean they would have to pay additional money. Therefore, I think this proposal has to be looked at carefully, and we should take this look when we go into committee.

If there is a desire on the part of the government to provide special status in this area for the province of Quebec, then I would not object to it, but say so. In effect, that is what we did with the Canada Pension Plan; we drew up the legislation so that any province could set up its own plan, at the same time knowing that Quebec was the only province that was going to do that. It was a special status arrangement which has worked out very well. If that is what is wanted in this case, then I suggest the arrangement be called that, not an arrangement for all the provinces, the government knowing that the other nine provinces are not interested in such an arrangement.

I make that brief comment about the matter because, as I say, the minister said nothing about it today. But the Prime Minister in his letter to the Prime Minister of Quebec did say that if they reached agreement on what should be done to provide for provincial participation, that matter could be dealt with when the bill was being considered by Parliament.

At this point I shall conclude my remarks. As one who, with other members, was here in 1944 when this legislation was first brought in, I am delighted to be here in the House when the amounts under the legislation are being raised, not by as much as I should have liked to see but nevertheless raised by a number of dollars. However, I am very sorry that the basic principle of universality, the principle that we are all together in this, is being dropped by the government. I think this step is wrong and that it should be looked at very carefully.

On this basis, the position that I am going to take on this legislation is that we should look at it further. We are therefore prepared, when the times comes, to give it second reading and to send it to the Standing Committee on Health, Welfare and Social Affairs. However, there will have to be a lot of improvement made to the bill as well as some effort to restore the basic principle that I think was so important to family allowances before we can be satisfied with the bill in its final form.

I see, Mr. Speaker, that you are getting up, so I shall sit down. I simply say again that I think the government of Canada was right with regard to the original concept of old age security and family allowances and that the present government, in reversing that decision, is wrong. Those of us who are trying to advance the idea of universality, of a country in which we are Canadians all, are not looking backward but are looking forward to the kind of Canada of which we can all be proud.

• (1530)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I want to participate in the debate on Bill C-170 which promises to be highly interesting. The bill is entitled: "An Act to provide for the payment of benefits in respect of children." Thus, it provides for payments for those who have dependent children.

First of all I should like to subscribe to the remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) at the beginning of this speech when he recalled the history of legislation authorizing payment of family allowances. They highly interested me.

I remember that during the depression years in Canada, from 1939 to 1940, agencies concerned with the plight of the people called on the government to pass legislation for the payment of allowances to Canadian families. I also remember that at the time short-sighted people denounced the views put forward by agencies or their representatives, accusing them of proclaiming a communistic concept. They claimed that this would mean handing out money to families without their having earned it directly as a salary. In their view, this would incite people to sloth.

Well, it has since been seen that family allowances did not have the results anticipated, that life continued quite normally and that those who were lazy remained lazy and those who were hard-working continued being so.

During a recent debate, I was surprised to hear hon. members, both Liberals and Progressive Conservatives, accusing each other of having done too little in the field of social security.

Mr. Speaker, it seems to me that in politics it is perhaps quite normal to try to stress that greater progress was achieved during the time one was in power than during the time the other party was in power. However, I believe that we should ask ourselves whether Canada, from an economic standpoint, can do more to acknowledge the rights of the Canadian family.

In a speech he made recently the Minister of National Health and Welfare (Mr. Munro) said that Canada is the most advanced country in the field of social security. So much the better, if it is true that the Providence has given us untold resources and if it is true that Canadians can develop and transform them in the best interest of the people.

Mr. Speaker, as for me, I believe that the family is the very basis of our society, that it is the family that provides the most important thing in this country, human capital. Therefore if the family assumes such a responsibility, I believe it behooves the State to recognize those rights in a better way, to enable it to fulfil its ideals by providing it with the financial means needed for a decent way of life.

Indeed, why do we live in a society? I believe we do not ask ourselves enough questions about that and I think our young ones, would like to benefit from life in society without thinking as much as they should about the reason why people live in society.

On the other hand, we have rights but we also have responsibilities. And even if it is not practical, from the

political point of view, to speak about duties and obligations, I believe we should nevertheless do so.

As a matter of fact, life in society was a source of great benefits to us. It enabled scientists to make research on the possibility of helping workers, through the use of machinery, in order to enable people to produce more, to make greater use of resources so as to transform them, in order that everyone may have a better lot, not only three people out of five, as we are being told in the report of the Senate Committee on Poverty, but five people out of five. So we do not really live in a just society, if two Canadians out of five cannot be assured of a vital minimum.

• (1540)

We have really accomplished something, with this association of people, on the economic level. We have managed to develop our production system to an extraordinary extent—and this, in all sectors. In the agricultural and industrial sectors we have accomplished things which would have been unthinkable 20 years ago. Statistics Canada provides us with exact figures. I, for one, believe them. In a newsletter sent by the Canadian Imperial Bank of Commerce in September 1971, we find figures which speak for themselves.

There is a table showing the gross national product for the year 1961 and subsequent years up to 1970. By looking at this table we can see that in 1961, Canada's gross national product was about $39 billion, which means $2,143 per worker.

Through all the means to which I referred a moment ago, Mr. Speaker, we increased our production and processing capability to the extent that in 1970, national production was in the vicinity of $84 billion, which means that the production capability that is supposed to bring benefits to all Canadians has more than doubled in 10 years.

But unfortunately, during the same period, the gap between the gross national product and national income has widened through the years, so that in 1961, the total income of Canadians was roughly $29 billion. Hence there was in 1961 a gap of some $10 billion between the national income of Canadians—that is, their purchasing power—and their production to meet their own needs.

This gap, as I say, has widened through the years, so much so that in 1970, the total income of Canadians stood at $66 billion, compared with a production of $84 billion.

According to my information, the figures for 1971 will prove even more revealing. The gross national product for 1971 should reach $95 billion while about 200,000 fewer workers will have contributed. That means that despite higher unemployment, we have nevertheless succeeded in increasing the volume of production.

Experts anticipate that the GNP for 1972 will be even greater, which means that it is possible in Canada to increase the various benefits in the area of social security without disrupting the economy. Why? Because I think that it would certainly be dangerous if the purchasing power were greater than the gross national product. The government would then do a great disservice to society.

On the other hand, it rests with the manager in the society to which I have just referred to do some bookkeeping, in order to maintain as closely as possible a balance between production and purchasing power, in order to enable all its members and all Canadians to enjoy a purchasing power as fair as possible to meet their needs and to accept more readily life in society.

I stated, Mr. Speaker, a moment ago, that the family is the most important factor throughout our life. I have in hand a picture which I received a few days ago from a couple from Saint-Anselme, a municipality situated in my constituency. That aged couple lacking a sufficient income told me their financial problems. They have 18 children and they sent me a picture. That couple who has given Canada such fine wealth, priceless human capital, should get more from society, so that we may encourage not those who are through raising their children, but their descendants to do their duty in society and participate in the normal development of Canada, in order to ensure a higher standard of living, corresponding to our physical and material possibilities.

Mr. Speaker, Bill C-170 is certainly bringing something new compared to the old act. First, it must be noted that, in this legislation, the guaranteed family income would include the incomes of both parents, which would mean that if both parents are working to bring home the bacon, and their combined incomes exceed the provisions of the act, automatically, they must do without the allowances, or else, one of the parents must stay home. I think that there would be something to correct there.

The benefits will be paid out of the Consolidated Revenue Fund for every child aged from 0 to 18, dependent of a citizen residing in Canada. But if a province pays benefits to the young of 16 to 18, as Quebec now does, no benefits will be paid to them by the government of Canada if it already grants tax rebates to that province.

I read and reread carefully the letter of the right hon. Prime Minister of Canada (Mr. Trudeau) to the Quebec premier, which must have been similar to the one he sent to all the other premiers. I noted that that long letter contained valuable suggestions. On reading the bill, I wondered whether the Quebec government, which fought for years for the jurisdiction over family allowances to be exclusively provincial, is really willing to accept the whole bill as now drafted or whether the government will ask that it be amended.

• (1550)

In any event, Mr. Speaker, I would like to try and look at the rates which will be used to determine entitlement to family allowances, so it will be realized that the selected income levels in the report of the Senate committee on poverty were not high enough. I think we must go higher to achieve better results. According to the report, you must add the allowable basic income of $4,500 to the amount of $500 per child, on top of the first one, to get the basic figure.

If the family income is $6,000 and that family has only one child, the income of $6,000 less the allowable income of $4,500 gives you a difference of $1,500. But since the rate is reduced by 33 cents for every $100, there is a reduction of $4.95. For a child in the 0-to-12 age bracket, the maximun amount will be $15 and the deduction will be $4.95, so the actual allowance for that child will be $10.05;

if the child is in the 12-to-18 age bracket, the allowance will be $20 and the reduction will again be $4.95, so the actual allowance will be $15.05. If that family has two children, the reduction will be $3.30 for children in the 0-to-12 age bracket, leaving a possible allowance of $11.70, and for children aged 12 to 18, the reduction will be $3.30, so the actual allowance will be $16.70.

For a family with four children earning a basic income of $4,500, plus $1,500 as allowable income, they will receive a basic allowance of $15 per child under the age of 12 and $20 for children between 12 and 18.

If a family has 5, 6, 8 or 10 children, the allowances will be the same because they have reached the maximum. So, this means there is no increase for them.

In the case of a family having an income of $8,000 with one child, allowances will be $3.45 if the child is 12 years old or less, and $8.45 for a child aged 12 to 18. For a family with two children, allowances will be $5.10 for the first one and $10.10 for the second one.

A family having an income of $10,000 and one child will receive no allowance where the child is aged 0 to 12. For a child aged 12 to 18, the allowance will be $1.85. If such a family has 2, 3 or 4 children, it will receive allowances of the order of $1.80 for each child aged 12 or less and $6.80 for children over 12.

I quote these figures to show that if this schedule is to bring some improvements in the case of low income families, we should increase the maximum allowable income from $10,000 to $15,000.

In fact, the present cost of rents, building and clothing is quite high and we are being taxed from left and right. So it would be an acknowledgement of the country's genuine wealth, and the fact that Canadians are hard-working people if this income were increased to $15,000.

Would Canada be worse off for this? I do not think so because this would give a higher purchasing power that would permit families to buy more. In buying more they would pay more taxes, the government would obtain higher revenues and in turn our economy would pick up.

Will this new act provide more money to Canadians? From the statement of the Minister of National Health and Welfare (Mr. Munro) I understand that under the previous family allowance scheme, the government was spending $800 million a year and it is reported that the new act will increase this amount by $150 million.

This is all nice and well, but I am convinced that more could be done without demagogy and without depriving affluent Canadians or reducing our assistance to developing countries.

I wish to emphasize this because it is sometimes said that Social Credit members are opposing our assistance to developing countries. This is not true. We are in favour of helping developing countries in proportion to our own resources. We are also in favour of assisting underfed families and those who lack housing, food and clothing.

The text I have here is recent. Its title is:

We are not truly Christians unless we accept to share the plight of the poor.

It emanates from the Episcopate of Canada. What does it say?

The scandal of poverty and injustice throughout the world is flagrant. Twenty per cent of the people of the planet own 80 per cent of its resources.

Canada itself, with its vast resources, is far from presenting a comforting image to those who thirst after human righteousness and dignity. One of every three Canadians lives socially, economically, politically and culturally on the fringe of Canadian community life.

Present housing conditions, the lack of balance resulting from underdevelopment of some regions of Canada are an insult to justice and a canker at the very heart of one of the world's richest countries. We are all, collectively, responsible for such a situation.

Notwithstanding the fascinating horizons opened before us, our era, alas, is the source of many disillusionments. Economists contend that, for the first time in history, everyone could live well. Newly acquired knowledge and technological discoveries can transform old dreams into living realities.

We could do this. Do we really want to? How strong is our sense of justice? How sincere is our love? How steadfast are our convictions? Are we not facing the tragedy of collective irresponsibility? We forget the poor so easily. We are barely inclined to facilitate their participation in decisions concerning themselves. And yet that is a primary demand of man's dignity.

Mr. Speaker, I wanted to quote from this text because it comes not from politicians, but from people able to have a really objective view of the situation and to ponder upon it. We politicians should take heed of it and act in such a way as to achieve a maximum of justice in our society which, I know, will always remain imperfect. However, there is nothing to prevent our trying to do more.

In closing, I should like to mention the opinion held by a king who made available to his subjects the money required to really live as a society, to exchange goods and services. I am referring to St. Louis, King of France, who said that the first duty of a king was to mint money when there was not enough of it to guarantee his subjects a sound economy.

Indeed, I feel that it is the first duty of a responsible government to issue the credits required to that end. I know our opponents will say: There he goes again, speaking of money! The minister spoke about it—

Mr. Deputy Speaker: Order. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, public bills, notices of motions and private bills.

• (1600)

[*English*]

PRIVATE MEMBERS' PUBLIC BILLS

HEALTH AND WELFARE

MEASURE TO RESTRAIN THE USE OF TOBACCO

Mr. Barry Mather (Surrey-White Rock) moved that Bill C-10, to restrain the use of tobacco, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, this bill which is again before us is one of three similar bills having the same general objective which I have introduced over a number of years. Like

bills put forward by hon. members on the government side and the official opposition, the subject matter of the three bills was referred in 1969 to the Standing Committee on Health, Welfare and Social Affairs. Together with the representations of the Minister of National Health and Welfare (Mr. Munro) they provided the basis of the committee's hearings into smoking and disease.

This discussion resulted in the report of the committee under the chairmanship of the hon. member for Hull (Mr. Isabelle), which report in turn agreed to the recommendation that all cigarette advertising should be phased out over a period of three or four years, and to that extent charted a course of action similar to that taken in many other countries to reduce the promotion of cigarette-induced diseases, including lung cancer, heart attacks, emphysema and bronchitis.

This bill is in two parts, Mr. Speaker. The first part has been law since, I believe, 1909 and deals with the prohibition on sale and provision of tobacco products to juveniles. The second part of the bill is my own, and it recommends an addition or amendment to the first part and would give the government power over the packaging, labelling and advertising of tobacco products, the precise target in this particular bill being to protect the health of the public from deception as to the character, toxicity or safety of tobacco products.

It is, frankly, not with any hope of having this bill passed or referred to a committee again—it has already been there—that I left it on the order paper. My thinking was that the government has not yet proceeded with the proposed cigarette products act which came out of the health and welfare committee's report on cigarettes, which in turn came out of this and similar bills and the representations of various health agencies in Canada who appeared before that committee in 1969.

Mr. Speaker, no one was more pleased than I when the Minister of National Health and Welfare introduced that bill last year, and nobody was more fearful than myself that the government would not proceed with what the minister proposed, which was to end all cigarette advertising by January 1, 1972. That is why my bill is again before us this afternoon. My purpose in bringing it forward is to urge that action be taken along the lines proposed by this bill but, better still, that action be taken by the government on the more far reaching proposal of the Minister of National Health and Welfare, namely, that all cigarette advertising in this country should end.

One reason for the government not having acted on the proposals of its minister to end all cigarette advertising as of January 1 last is, without doubt, the step taken by the tobacco industry in the meantime of ending all cigarette advertising on the air, whether radio or television, and undertaking to print a rather harmless or even deceptive health warning label on its products and stop giving away coupons or prizes to encourage the sale of cigarettes.

These steps have been or are being taken by industry. But, Mr. Speaker, while some $8 million of cigarette advertising has been ended—that is, the part that used to go to radio and television—the cigarette firms are keeping up the roar of publicity in the print media, inducing people, particularly young people, to start smoking cigarettes and thereby to get hooked on this sickly and dangerous habit. We still have the type of good life, open-air fun and games cigarette advertisement illustrations, the same idea that cigarette smoking is a flesh-coloured, simple pleasure and not the grey killer that it is. There are never any hospital ward, operating room or funeral parlour scenes in cigarette ads. They are not in line with reality at all. Cowboys are still puffing away on cigarettes and they are never identified as coming from "emphysema county."

Mr. Speaker, this and my other bills and those of other hon. members of both the major parties all have one thing in common, as indeed does the minister's bill, that is, that the private profit of the tobacco, advertising and media industries cannot be allowed to stand much longer in the way of protection of public health. If chewing gum or pizza pie had been associated with one-tenth of the sickness and death that cigarettes have, then chewing gum and pizza pie would have been off the market many years ago. At this point I say that I am quite ready to take this bill and my other bills on the same subject off the order paper if someone on the government side will rise and indicate when we may expect the government to proceed with the minister's legislation to end cigarette advertising.

There is mounting need in the country for action such as is proposed in this bill and in the government's legislation. I have in my hand a letter received just this morning from the Canadian Tuberculosis and Respiratory Disease Association. I think it is particularly timely that I received this letter today. I quote one paragraph as follows:

> —we ask you to take immediate action on the cigarette products act. As you know, the bill was introduced last June and we in the health field feel it is imperative we get that legislation through to effectively ban cigarette advertising. This association views with alarm the present rapid increase in the incidence of chronic chest disease. We indict the cigarette as the principal factor in this man-made epidemic. I ask you on behalf of our association, on behalf of our thousands of volunteers, on behalf of the health of Canadians, to enact the cigarette products act now.
>
> Our association concerned as it is with tuberculosis and respiratory disease, had adopted a slogan we ask you to consider with great care, especially as it relates so dramatically to the smoking problem—"It's a matter of life and breath."

This is over the signature of the medical director of the association. In Great Britain the Royal College of Physicians estimates that 50,000 deaths a year are attributable to cigarette smoking, approximately 1,000 per week. In that country the number of doctors who used to smoke had dropped from a majority to just one-third. In the same period, the incidence of lung cancer increased by 25 per cent but it dropped among doctors by 30 per cent. In the United States, the number of cigarette smoking doctors has decreased to about one-third while in this country it is down to less than one-half.

Mr. Speaker, the Canadian Medical Association, whose representatives appeared before the Standing Committee on Health, Welfare and Social Affairs in 1969, put it this way:

> The story of the health hazard created by cigarette smoking represents an unrivalled tale of illness. disability and death. The potential benefits to be derived from a cessation of smoking place it at a level of importance in preventive medicine with pasteurization of milk, purification and chlorination of water and immunization.

Many countries have acted against the cigarette disease and curtailed its promotion through advertising. This includes lands on both sides of what used to be referred to as the iron curtain and both sides of the Atlantic. Disease knows no geographical or political boundaries. In this country one million Canadians over the past 12 years have quit smoking cigarettes but about 8,000 begin smoking each month. Most of them are young people. It is this group of young people that we wish to benefit by reducing the inducement to smoke carried in advertising.

• (1610)

I have spoken so far only of terminal cases of cigarette induced disease and not of the millions of persons who are ill from smoking cigarettes or the hundreds of millions of dollars involved in lost lives and loss of time. Through the kind of legislation proposed in this bill, Mr. Speaker, there are several things we can do to help the nation's health. For one thing, we will encourage the government to move now on its own "Ban the cigarette advertising" law. This legislation also will encourage the Department of National Health and Welfare, the CBC and the CTV people to step up educational program aimed at putting out cigarettes across Canada. I might add that apparently the CBC's powerful recent show entitled "One way to quit" is to be aired again next Wednesday. The CBC says that this show has won more favourable audience reaction than any other informational show of this season.

I particularly urge the Department of National Health and Welfare to continue and expand its very fine educational efforts in this field of one year or so ago. Let it continue those efforts on paper and on the air, for without this kind of campaign cigarette smoking will increase. Despite the demise of air and cigarette advertising, this has occurred to some extent in the United States. That has happened, as I say, even though cigarette advertising has been taken off the air in that country. We could if we wanted to take a dramatic and immediate step that would save tens of thousands of lives over the next two or three years in Canada, follow the advice of the Royal College of Physicians of Great-Britain which recommended that cigarette smokers should simply switch to a pipe or cigars. We learned at the health and welfare committee hearings that pipe and cigar smoking are almost as safe as not smoking at all.

Another step we could take is this: Until the government proceeds with its own bill to end all cigarette advertising in Canada, we could say that any advertising so permitted at present must carry within itself, that is, within the text of the message, a warning. If the advertising is printed, there must be a tangible warning taking up at least one-sixth of advertising space and that warning must say something like, "Cigarette smoking is a hazard to health. Department of National Health and Welfare."

I conclude my remarks by urging the government to heed my suggestions. Also, I undertake to take the present bill and similar bills in my name off the order paper if the government will indicate that it will take action this year on its own cigarette advertising legislation and stop the spread of disease.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, it is a pleasure to speak immediately after the hon. member for Surrey-White Rock (Mr. Mather). I am glad of the opportunity to say a few words on this subject.

[*Translation*]

Mr. Speaker, for some time now, there has been no doubt that cigarette-smoking is a health hazard. So overwhelming are its devastating effects that they shorten the life of most smokers. Considering this, one may be lead to try and study the psychic process by which man is urged to smoke, while he very well knows that this will be detrimental to his health. This phenomenon is interesting. Most smokers will readily admit that they do harm to themselves by smoking day in and day out and that the only way to recover is to give up the habit. Nonetheless, they choose to go on smoking, in defiance, it seems, of the medical art; they keep laughing at the warnings and not caring a rap about their health.

Once the Minister of National Health and Welfare (Mr. Munro) and his officials have discovered the reasons why people go on smoking despite the risks involved, I believe a great step forward will have been taken towards the elimination of the danger that the use of cigarette entails.

The Prime Minister (Mr. Trudeau) announced in the House of Commons, on February 17, that the government intended to introduce a legislation concerning cigarettes during this session. In this House, thousands and thousands of words have been uttered over the last years concerning tobacco and health. During the short period of time allotted to me, I should like to review the reasons why cigarettes create a problem, in our country and elsewhere, in view of which they have become a priority.

I am pleased to say that I think that the Minister of National Health and Welfare has done whatever he could in that field.

In order to become acquainted with some of the ill effects of cigarettes, all hon. members would be well advised to read the 1968 and 1969 proceedings of the House Standing committee on health, welfare and social affairs, dealing with tobacco and cigarette.

During those sittings, the minister himself referred to the health hazard created by cigarette smoking and with your consent, Mr. Speaker, I will now read part of the minister's statement. I quote:

> I said that cigarette smoking was harmful to the individual as well as to the community. The damage caused to the individual can easily be shown. Tobacco is the main cause of lung cancer. In addition, smokers are more liable than non-smokers to other kinds of cancer. It is not the only charge that can be laid against cancer. Since it affects the lungs, it gives rise to some chronic respiratory ailments, such as bronchitis and emphysema. Those who have suffered from strong painful fits of coughing know what I mean. Ask any athlete. As a simple experience, I could ask any heavy smoker to try either a 200-yard sprint or to run a mile. Wait till he comes back gasping for breath. You tell me then whether their respiratory system is in good shape.

That is not all. If you consider the report, you will notice that the number of heart failures is 70 per cent higher for smokers. The risk is particularly high for young and middle-aged smokers since the risk of this type of stroke is from two to three times higher for them than for non-smokers of the same age. Now, coronary disease is the main cause of death in our country. Generally speaking,

there is no doubt that each cigarette smoked shortens life by approximately 8 minutes. For instance, a 32 year-old man who smokes from 10 to 20 cigarettes a day reduces his life expectancy by an average of 5 years.

This, Mr. Speaker, is the opinion of the Minister of Health and Welfare, who points out that cigarette smokers sacrifice in effect an important part of their lives.

Now, some people are probably asking: If cigarette smoking is so harmful, why not forbid it? Here is the answer: The tobacco industry is an important sector of the Canadian economy, and abolishing it would be a disaster from the standpoint of the economy and the employment market. I again refer to the 1969 report of the House of Commons committee, where it says that cigarettes are the basis of a prosperous agricultural industry in Ontario, and a lesser one in Quebec. Tobacco growing is also an industry in Nova Scotia, New Brunswick, and Prince Edward Island. Tobacco is the second largest farm product export in Canada, wheat being the first, and this year the sales of smoke-dried cigarette tobacco yielded about $170 million.

The tobacco industry alone employs about 50,000 full-time or part-time workers, and over another 10 million people are employed in tobacco processing. In 1968, federal and provincial taxes, including corporate tax, amounted to $723 million. Over 75 per cent of this amount goes to the federal treasury. The economic impact does not stop there. Tobacco products are sold in 90,000 outlets—this is still according to the 1969 report of the standing committee—and by 650 bulk dealers and distributors. Cigarette advertising brings in $25 million a year.

It is therefore evident that forbidding the manufacturing and sale of cigarettes would not only seriously affect the Canadian economy but also leave thousands of Canadians unemployed. We should, however, examine the other side of the picture and take also into consideration the damages caused to our country's economy by cigarette smoking.

The losses due to cigarettes in Canada in 1966 were estimated at $388 million. Cancer of the lung accounts for a loss of $56 million, coronary diseases $201 million, chronic bronchitis, $14 million, emphysema, $7 million, other diseases $96 million and finally fires due to smoking, $13,500,000.

Evidence submitted during the committee hearings in 1968 and 1969, is probably the best proof one can give as regards such gloomy statistics.

The Canadian Medical Association were very clear in showing how the cigarette could be harmful to one's health. I quote the following from their brief:

"The most tragic result as far as diseases, disabilities and death are concerned".

Their brief points out further on that the benefits in the case of people who stop smoking are the equivalent of preventive medicine and as important as pasteurized milk, purified water, fluoridation and immunization.

The brief, as to possible medical disputes, contains the following:

We believe one needs only to point out that there are no more scientific controversies as concerns the danger of cigarette smoking. The first statistics were confirmed by clinical observations and the evidence brought about is now looked upon as a fact by Canadian doctors.

[Mr. Guay (St. Boniface).]

The *Association des médecins de langue française du Canada,* another medical group, presented somewhat similar evidence when they appeared before the standing committee. In their report to the committee—

• (1620)

[*English*]

Mr. Danforth: What was that all about?

Mr. Guay (St. Boniface): Mr. Speaker, the hon. member brought to my attention a matter that is of vital importance to him, to me and to others. Although I am speaking on this matter I thought I would give him a written answer. I hope hon. members will tolerate this procedure and allow me to continue my remarks.

[*Translation*]

The Association has dealt with the tremendous change that can take place when someone stops smoking cigarettes. Their brief said in part:

It is very often noted that the symptoms affecting former cigarette smokers subside when they relinquish the habit: catarrh, cough and wheezing are less evident. Daily experiences now show that surgical complications are more frequent with smokers than non smokers.

Of course, hundreds of other statements have been made at the committee's hearings warning againsg the dangers of cigarette smoking, many of them being of an alarming character.

Mr. Speaker, I would have more to say in this respect, but I will conclude my remarks as soon as possible.

At the 1964 conference, a young high school girl from Ottawa, Miss Hilary Lips, made a report from which I shall quote a few excerpts:

It may happen that we come across an article describing the pains besetting a person who is dying of lung cancer and we become frightened to the extent that we swear to keep at least ten feet away from any cigarette; but fright has transient effects; a week or a month later, the first scare appears ridiculous and one quickly forgets one's decision to stop smoking. The decision not to smoke is not an action taken under the effect of histeria, but a decision arrived at calmly and reasonably after weighing the pros and cons. Many adults believe that teenagers are too immature to take such a decision and they try to exert pressures on their children either by categorically prohibiting cigarette smoking or by frightening them.

Surely, many of us could give examples of their personal experience, Mr. Speaker. I could do it myself because I gave up smoking more than four months ago and I used to be a heavy smoker. I know what it means to quit smoking and never start again.

In conclusion, Mr. Speaker, I want to say that, in my opinion, the House should be reminded that the Canadian Tobacco Manufacturers Council published an advertising code of ethics to set up officially uniform standards for cigarette advertising in Canada. Canadian tobacco manufacturers readily stick to this code.

And now, Mr. Speaker, I shall leave the floor to other members who might wish to make a brief statement on the matter.

[*English*]

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to take part in the debate on Bill C-10 introduced by the hon. member for Surrey-White Rock (Mr. Mather). If I did not take part in the debate I would be remiss in my duty to the tobacco growing area of Norfolk county as well as many other counties in Ontario including Your Honour's constituency in Northumberland and Durham counties. Your Honour knows as well as I do the great impact which that industry has not only on those who produce tobacco but on many other sectors of the economy.

The production and sale of tobacco is of number one importance. Therefore, one can understand why tobacco producers get uptight whenever they hear something is going to affect the production and sale of a legitimate product. We also get uptight when we hear unreasonable attacks on this legitimate product of ours.

• (1630)

Having said this, I want to commend the sponsor of this bill, the hon. member for Surrey-White Rock. As he has told us, the bill is divided into two parts, one of which has to do with the control of tobacco products to young people. I do not think anyone in Canada, and certainly no tobacco producer, wants to encourage young people to take up the habit of smoking tobacco. But I am doubtful whether the proposition before us is the proper way of achieving such an end.

Young people are well able to appreciate logic and good reasoning when it is presented to them, and it seems to me that an educational program advising young people against consuming tobacco in amounts which might be harmful to them would be a more effective approach. As to the difficulty surrounding an attempt to do these things by legislation, I can only remind hon. members of the experience in the United States years ago when an effort was made to prevent the sale of liquor through the famous prohibition laws. Everyone knows what an utter failure that was.

It is part two of the bill which really concerns tobacco producers. First, as to the indication that tobacco advertising is to be regulated, it has now been shown that this procedure is useless in terms of restricting the smoking of tobacco. On January 1 legislation took effect in the United States banning cigarette advertising on radio and television. Nevertheless, as shown by figures at the end of the first quarter, consumption of cigarettes in the United States has continued to increase. The daily newspapers last week carried news items which made it clear that the only result was a negative one, a loss of revenue to the radio and television industry. So limiting advertising is not the answer. Again, I believe a program of education is needed.

What hurts and puzzles us as much as anything is the power which it is proposed be given to the Crown to test, analyse and regulate the tar and nicotine content of tobacco. We as farmers and producers are unable to control these levels except by a long process of plant breeding designed to produce tobacco with low tar and nicotine content. Suppose this were achieved: we would then have tampered with the aroma and flavour of the product and nobody would want to use it. This would be dangerous to the continuance of our export trade to Europe and particularly to the United Kingdom where people are very conscious of these qualities. A significant change in this respect might well lose us the sale of our product.

In connection with the proposition that the government be given power to control or ban advertising, I am surprised the hon. member did not read more closely the advertising code agreed upon by the Tobacco Manufacturers' Council and effective January 1 of this year. This would bring about, by voluntary action, the very results which the legislation has in mind. I shall not read the code in its entirety but I should like to quote a few of the rules which have been adopted:

1. There will be no cigarette advertising after December 31, 1971, on radio and television.

2. All cigarette packages produced after April 1, 1972, shall bear, clearly and prominently displayed on one side thereof, the following words: "Warning: Excessive smoking may be hazardous to your health"—"avis: Fumer à l'excès peut nuire à votre santé".

3. After April 1, 1972, labels carrying the warning noted in paragraph 2 shall be made available to operators of cigarette vending machines.

4. Average tar and nicotine content of cigarette smoke from any brand of cigarettes shall not exceed 22 milligrams of tar, moisture free weight, per cigarette, and 1.6 milligrams of nicotine per cigarette.

These people, knowing the effect of tar and nicotine, have fixed levels which we can accept, levels we can live with and beyond which it would be dangerous for them to go. There are 14 rules in all. It is far better, it seems to me, for an industry which is willing to police itself to be allowed to do so rather than to impose legislation upon it directed to the same end. After all, the proposals before us certainly include an infringement of the freedom to advertise and tell the story of a legitimate commercial product: this is sometimes described as "the right to sell, the right to tell." It might also be considered an infringement of free speech.

I therefore maintain that to interfere with free advertising practices in such circumstances would be exceeding the scope of good legislation. After all, consumers are knowledgeable people and have sufficient good taste to appreciate when advertising is unsuitable or unacceptable: if they feel that an advertiser goes too far, he will suffer loss in the marketplace. It is up to producers to control themselves in this area.

As a tobacco farmer, I should also like to fault this legislation on several other grounds. First, we in the industry are deeply concerned that so much of the thrust of this legislation should be based upon statistical evidence that smoking is a dangerous health hazard in Canada. We do not agree with this. We agree that there is statistical evidence to this effect, but it is only statistical evidence and statistics are shaky ground upon which to go as far as this legislation seeks to go.

Not only are the statistics questionable, but the way in which the statistics are gathered is open to question. During the hearing of evidence in the committee on health and welfare having to do with smoking and health, a statistician appeared before the committee and testified that before one could really reach any conclusion from

statistics one should know how they were gathered, how many samples were taken, and so on.

What concerns me a great deal, Mr. Speaker, is that in the compilation of the report of that standing committee I have the impression that the writers followed a very selective procedure in bringing out evidence which seemed to favour a preconceived conclusion. In substantiation of this assertion I should like to quote from an important medical authority who gave evidence before the committee and whose reputation is beyond question. I refer to Dr. William B. Ober, director of laboratories at the Knickerbocker Hospital in New York and associate professor of pathology at the New York Medical College. His evidence was entirely omitted. This is what he said, and this is why we are so annoyed that people continue to cite tobacco as the number one health hazard:

> I have noticed a reluctance by the people who claim cigarette smoking causes lung cancer to present statistics which fail to support or which even negate their preconceived ideas. This is not acceptable in scientific argument. It is what is known as *suppressio veri*. They are perfectly willing to tell you in great detail about all the carcinogenic substances they have extracted from tobacco smoke, but they never bother to tell you that they have repeatedly failed to induce epidermoid carcinoma of the lung in any experimental animal by exposing it to these substances or by having batches of experimental animals inhale cigarette smoke for hours on end. The most they have been able to accomplish is to apply the tar extracted from smoke condensate to the skin of mice and produce small skin tumours, most of them not malignant, some of them, yes, malignant but the same sort of skin tumour one can produce in mouse-skin by applying a variety of harmless substances; that is, harmless to humans. In spite of the several million dollars expended on mouse, rat and dog experiments, it has all come to nothing, no proof whatsoever.

• (1640)

In other words, there is simply no cause and effect proof that cigarette smoking is the number one health hazard it is claimed to be. This is why we become uptight and tend to look askance at legislation of this type. Again I say that a ban on advertising is not the answer. I could quote statistics to show the proof of that statement. I have already mentioned the fact that in the United States cigarette consumption has continued to increase. It should also be noted that figures for Italy, where a total ban exists, or for the United Kingdom, Denmark, Iceland, The Netherlands and New Zealand, where partial bans exist, show that during the five years after the establishment of such bans cigarette smoking has continued to increase. So I say a ban is simply not the answer.

I think this is our biggest quarrel with the whole program. Tobacco producers are sick and tired of having tobacco singled out as the number one enemy, while, as I have said many times, some of the other major health hazards in this land are ignored. I point to alcohol, which I think is the number one health hazard. When one considers the detrimental effect that overconsumption of alcohol has on the individual, not to mention the slaughter on our highways caused by accidents involving drunken drivers, or broken homes, welfare costs, and so on, if the people who continually harp against the tobacco industry went to the same trouble, using the same skill and assiduity, to collect statistics for consumption of alcohol they would be surprised at the result of their investigations. The smoking of tobacco would pale into insignificance compared with alcohol consumption.

[Mr. Knowles (Norfolk-Haldimand).]

If I may quote a medical authority in California, Dr. Marshall Orloff, who spoke at the Toronto Academy of Medicine, as reported in the London *Free Press* for January, 1970, he said alcohol causes 90 to 95 per cent of cases of cirrhosis of the liver and can harm even the weekend drinker. He said cirrhosis of the liver is the ninth highest cause of death on the North American continent. In an interview he went on to say that scientists have proven conclusively that alcohol is directly poisonous to liver cells.

Then, too, we are annoyed that no effort is made to ascertain the effects of pollution on cancer and other bodily ailments. I should like to quote the Delhi *News Record* for December 8, 1971, an article headed, "Pollution consultant takes swipe at MDs on smoking question":

> Medical associations have wrongfully blamed the tobacco industry for rising lung cancer rates. This assertion was made by R. W. Johns, a Calgary air pollution consultant, at a convention in that city on November 29.
>
> He told a meeting of the Engineering Institute of Canada that doctors are "woefully" ignorant of the role of air pollution.

Certainly anybody who has been to the Toronto international airport and suffered the pollution from contained automobile exhausts knows something about which we are talking. Then too, no attention is paid to the many other chemical substances that are ingested into our bodies. As reported in the *Globe and Mail* for December 4, 1971, 30 cancer experts from leading research centres of the United States and Europe met under the auspices of the World Health Organization to evaluate the cancer risk to man of various chemicals. With the international agency for research on cancer they will work on a program to evaluate the human cancer risk of hundreds of compounds which have been shown to cause cancer in animals.

I think the key to this whole question, whether we are talking of tobacco, alcohol, pollution, chemicals or what have you, is excess in any one of these elements of human activity. Anything done in excess can be harmful to human health. No one is suggesting that we want people to smoke themselves into the grave, if you like, by oversmoking; of course that would cause damage. But so would overeating, overdrinking and many other things.

I have spoken rather strongly about this matter because that is the way we feel. We feel, as I said in my opening remarks, that the tobacco industry is the heart and soul of the economy in the area I represent. Eight hundred million dollars of the money earned from tobacco products went into the tax revenues of various governments. Taxes from the sale of cigarettes account for 7 per cent of Ottawa's total tax revenues.

What would happen to Canada's thriving export market for tobacco in some 28 countries, the United Kingdom being by far the biggest buyer? From the 1970 crop, 78 million pounds of cigarette tobacco worth $65 million was exported. Tobacco is Canada's second most important agricultural export, wheat being the first. It ranks sixth in value of all Canadian exports to the United Kingdom. And remember that exports are the life blood of the Canadian economy.

I have taken longer than perhaps I should have taken, but I wanted to get across to you, Mr. Speaker, and to the

members of the House the fact that we who produce tobacco for the welfare of our families and the economy in the area I represent feel very sincerely that we are being taken for a ride on what can be considered rather flimsy evidence which is built on half-truths and innuendos.

Mr. Mather: Mr. Speaker, could I ask the hon. member a question before he resumes his seat?

Mr. Speaker: Order. I understand the hon. member wishes to ask a question.

Some hon. Members: Agreed.

Mr. Mather: I want to ask my honourable and esteemed friend from the tobacco country of Canada this question. I know he was a member of the health and welfare committee when all the representations to which I alluded earlier were made by the cancer society, the heart foundation, the emphysema society, the bronchitis and tuberculosis representatives, all of whom said cigarettes were a great health hazard. Can he recall any representative of any organized health agency saying anything to the contrary before the committee? I do not mean one or two people whom the tobacco group put before the committee; I mean anyone speaking on behalf of an organized health agency.

Mr. Knowles (Norfolk-Haldimand): I do not think I do, Mr. Speaker. But I also think that the people who did come to speak on behalf of the groups that they represented did not know the whole truth of the story. I do not think they had ever listened to the evidence I have just put on the record, and this is what makes us so annoyed. It seems to me we hear only one side of the story. The organizations to which the hon. member referred have preconceived notions in this regard and shut their minds to other evidence which I consider to be equally authoritative.

Mr. Mather: May I ask a further question?

Mr. Speaker: Order, please. The hon. member's time has expired and I have the impression that hon. members are anxious to hear the hon. member for Fraser Valley East (Mr. Pringle).

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I rise at this time to support Bill C-10 which has been moved by my hon. friend from a neighbouring riding in British Columbia, the hon. member for Surrey-White Rock (Mr. Mather). Due to the lateness of the hour I will not deliver my entire speech but will endeavour to select and dwell upon some priority items.

Regardless of the timely remarks, remarks I think we should take into consideration, of the hon. member for Norfolk-Haldimand (Mr. Knowles), there is such overwhelming evidence of the danger of cigarette smoking—I say cigarette smoking, not tobacco generally; I am referring to the way cigarettes are used by human beings—that I have no hesitation in supporting the bill, nor do I have any hesitation in personally condemning the use of cigarettes.

• (1650)

Perhaps one of the most frightening aspects is the paradoxical position taken by Canadians with regard to smoking and health. Many readily admit that cigarette smoking may be harming and indeed killing them, but they continue to puff away regardless. Somehow, some day, we must more than reach these people. Somehow we must make them respond positively, not for our sake but for their sake. Let us look at an example. A survey of students in 1968 in the Kenora region revealed that 90 per cent of non-smokers and 80 per cent of smokers believed smoking may have harmful effects on health. Yet only 60 per cent of the non-smokers and 50 per cent of the smokers said that publicity on the possible harmful effects of smoking had decreased their inclination to smoke.

Obviously, there is a great deal of work yet to be done. I suggest this should be centred on health education. I think we should pay tribute to the Canadian Tuberculosis and Respiratory Disease Association for the information they are providing and for the films they have made, as well as for their desire to co-operate with others in providing information for health education. I wish to refer to a letter which they sent to members of parliament on March 24 in which they advised that they had a film which was used on CBC television. The film is entitled, "One way to quit". It deals with the harmful effects of smoking. I feel they should be complimented for providing this film.

It is obvious that education must play a major role in the information program on smoking and health. In 1965, Ottawa was the host city for a youth conference on smoking and health which was attended by 74 teenagers from every Canadian province. One high-school teacher who attended that three-day conference was an Ottawan who walked away from the conference convinced of its value. He made the following statement:

> From what was discussed at the conference, one area of attack will most certainly be aimed at the non-smoking youngsters in our schools. If they are not smoking by the time they are 20 years of age, many of them will not start as adults.

It is understandable that this is one area in which we should start combating the use of cigarettes as quickly as possible, because we realize this is a statistic which has been proven, that is, if people do not smoke until they are 20 years of age they may not start as adults. Therefore, it is important that these young people be influenced to stay away from cigarettes. This is how our health program should be developed. It should be stressed that smoking is not a sign of manliness or sophistication even though the advertisers may hope the younger set will think this way.

I should like to switch to the economic situation in respect of the tobacco industry in Canada as mentioned both by the hon. member for Norfolk-Haldimand and the hon. member for St. Boniface (Mr. Guay). I refer to the discussion which took place before the standing committee when it was suggested that we should immediately ban cigarette advertising. This was to be confined to television and radio. In effect, we were going to avoid having road signs in newspapers and periodicals. While a flash on television or radio could be banned, a full-page advertisement in a newspaper which might stay around the house day in and day out would not be banned.

If it were agreed—and I subscribe to this—that all advertising of tobacco should be banned, that would be one thing. But here in the House of Commons we are suggesting that one segment of the media should be discriminated against. I believe this would be most unfair. I feel we would be discriminating against radio and television. I would hope we would go forward with our bill to effectively eliminate all advertising or reconsider our stand in respect of discriminating against one section of the media.

On January 1, 1972 the cigarette advertising code of the Canadian Tobacco Manufacturers' Council became effective. Under the regulations of this code, cigarette advertising on radio and television ceased. In other words, the tobacco industry has accepted the suggestion and has decided to devote its advertising budget to media other than radio and television. While we are at it, let us cover the whole spectrum. Cablevision, of course, is becoming a very vital medium for Canadian citizens in their enjoyment of television. We are subject to advertising from the United States. The advertising dollars of Canadian companies might find their way in the not too distant future into the United States advertising market. Of course, cigarettes, tobacco and other items which we may not prefer to be used or sold in Canada are being advertised by United States television companies. I am making my plea regarding this type of advertising based on fair play and on the fact that I do not believe we as Canadians should be discriminatory in this area.

I should like to close by reaffirming my opposition to the promotion, in any way, of the use of tobacco. We should continue to promote health education as much as possible. I think we should have more confidence in our youth. While our efforts may never be 100 per cent successful by virtue of the fact that we are a free country and enjoy its freedoms, I believe with the proper approach we would be able to reduce the use of cigarettes and gradually eliminate the habit so as not to upset too drastically the economy of the tobacco industry in Canada.

Mr. Speaker: Order, please. I notice that quite a few of our distinguished colleagues are anxious to participate in this debate, but unfortunately the hour set aside for the consideration of private members' business has expired.

It being five o'clock this House stands adjourned until two o'clock on Monday afternoon.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 27, 1972.

The House met at 2 p.m.

ROUTINE PROCEEDINGS

BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

First report of Standing Committee on Broadcasting, Films and Assistance to the Arts—Mr. Reid.

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

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UNEMPLOYMENT INSURANCE ACT, 1971

RULING BY MR. SPEAKER ON PROCEDURAL ACCEPTABILITY OF CERTAIN BILLS

On the order: Introduction of Bills.

Mr. Speaker: Last week, a number of bills were proposed for introduction to the House. The Chair expressed reservations about certain procedural aspects of those bills. While three were then accepted for introduction after serious consideration, seven were held in abeyance. On Friday last, hon. members were given an opportunity to express views on a point of order which queried whether these bills might not affect the financial initiative of the Crown. A number of members participated in the interesting procedural debate and I have now had time to study their arguments.

The hon. member for Skeena suggested that the bills in question proposed to amend the Unemployment Insurance Act and argued that they do not infringe upon the financial initiative of the Crown. The hon. member suggested that if in fact all these bills or any of them are found by the Chair to affect the Crown's prerogative in this respect, the rule should be disregarded as being archaic. The hon. member will appreciate, I am sure, that the Chair can hardly be expected to disregard a rule that is so fundamental. If in respect of any of these bills the Chair is convinced that the financial initiative of the Crown is in fact affected, it has no alternative but to set them aside. That is the conclusion which I have reached in connection with three of the seven bills in question.

The bill standing in the name of the hon. member for Broadview purports to be an act to amend the Unemployment Insurance Act. In fact it is a bill to amend the Income Tax Act. Clause 1 repeals section 158(2) of the Unemployment Insurance Act, but clause 158(2) repeals section 10(1)(h) of the Income Tax Act so that in fact clause 1 of this bill should not set out that it repeals section 158(2) of the Unemployment Insurance Act but that it repeals section 10(1)(h) of the Income Tax Act. The Unemployment Insurance Act says that benefits are taxable but the purpose of the bill is to make benefits non-taxable and to make workmen's compensation also non-taxable. This to my mind is purely taxation legislation and is not acceptable unless initiated by the Crown.

The bill standing in the name of the hon. member for Fraser Valley West also purports to amend the Unemployment Insurance Act while in fact in my view it is an amendment to the Income Tax Act. The purpose of the bill according to the explanatory note is to make unemployment insurance non-taxable when the benefits are received by Indians living on a reserve. This of course affects the taxing initiative of the Crown and is out of order.

I have the same reservations concerning a bill standing in the name of the hon. member for Kootenay West. That bill proposes to change the method of payment of that part of claimants' benefits which is to be deducted at the source as taxable income. This again to my way of thinking deals clearly with tax legislation and as such is irregular unless introduced upon the initiative of the Crown.

I have extremely serious reservations about the four remaining bills. Generally speaking, these bills tend to increase the benefits payable under the terms of the Unemployment Insurance Act or to extend the period during which benefits might be payable under the law.

The question is whether legislation providing for such additional payments affects the financial initiative of the Crown and requires as a condition precedent the recommendation of the Crown. The hon. member for Winnipeg North Centre has argued that amendments have been allowed where the purpose was to relieve individuals of taxation rather than to impose a tax on someone else. I do not disagree with those rulings which were made in committee; I point out, however, that they were amendments and not new initiatives as in the present case. Citation 265 of Beauchesne's Fourth Edition is the authority to establish that distinction.

I am more impressed by the argument advanced by the hon. member for Winnipeg North Centre and other hon. members that the moneys required for the payment of proposed extended benefits would not come out of the consolidated revenue fund and that they would not in any way affect the balance of ways and means. It is certainly a moot question whether these legislative proposals would in fact, in one way or another, directly or indirectly impose an additional burden on the public treasury and thus infringe upon the financial initiative of the Crown. One might well wonder whether government legislation tending to alter the benefits payable under the act or perhaps tending to shift the burden from one group of contributors to the other should not be accompanied by

the usual recommendation. I somewhat suspect that some hon. members in this House would insist that this kind of legislation, if it were sponsored by the government, should be accompanied by a recommendation.

At the same time, there are precedents, particularly in British parliamentary practice, which tend to indicate that such legislative proposals, because they do not, strictly speaking, impose a tax or an impost as referred to in Standing Order 62, are outside the rule which protects the financial initiative of the Crown.

Because of the difficulty in interpreting the statute which these bills propose to amend, and because these bills, if they had been included in the original group filed at the opening of the session, would now be before the House along with all the others, I feel it would be fair to give the sponsors of these four bills the benefit of the doubt. The conclusion would be that the two bills sponsored by the hon. member for Timiskaming, that of the hon. member for Winnipeg North Centre, and that of the hon. member for Skeena would be acceptable for submission to the House at this time.

However, I have an additional reservation regarding the bill standing in the name of the hon. member for Skeena. This does not have to do with his use of Latin in his explanatory note but rather with another aspect of the explanatory note. It has been ruled that such notes ought to be an explanation and not an argument. The mover of a bill cannot introduce in his explanatory note the speech or the arguments he might want to present on second reading. Somehow, I feel that that is what the hon. member for Skeena has attempted in his explanatory note which to some extent is poetry. It sounds lyrical to the Chair. I strongly urge the hon. member to make his explanatory note conform more with existing practice and the form that is usual for such explanatory notes. That is the only reservation I would have in connection with his bill. I hope the hon. member will find it possible to make the necessary correction, perhaps in consultation with learned parliamentary counsel, after which the bill could be introduced. The other three bills standing in the name of the hon. member for Timiskaming and the hon. member for Winnipeg North Centre can be introduced at this time.

AMENDMENT RESPECTING HOLIDAY PAY

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill C-180, to amend the Unemployment Insurance Act, 1971 (holiday pay).

Mr. Speaker: It is my impression that an explanation was given of this bill when it was first brought to the attention of the House last Friday.

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

AMENDMENT RESPECTING RETIREMENT BENEFIT

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill C-181, to amend the Unemployment Insurance Act, 1971 (retirement benefit).

[Mr. Speaker.]

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

AMENDMENT RESPECTING BENEFITS AT TIME OF RETIREMENT

Mr. Stanley Knowles (Winnipeg North Centre) moved for leave to introduce Bill C-182, to amend the Unemployment Insurance Act (benefits at time of retirement).

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

* * *

• (1420)

ARCTIC WATERS POLLUTION PREVENTION ACT

On the order: Introduction of Bills.

Mr. Howard (Skeena)—Bill intituled: "An Act to amend the Arctic Waters Pollution Prevention Act".

Mr. Speaker: The hon. member for Skeena has given notice of a further bill standing in his name, an act to amend the Arctic Waters Pollution Prevention Act. I have examined this bill and find nothing procedurally wrong with it except, again, the explanatory note which I believe is in many ways argument rather than strictly speaking an explanatory note. I would hope that by tomorrow this might be corrected and both bills standing in the name of the hon. member for Skeena might be introduced at that time.

* * *

CANADA LABOUR CODE

AMENDMENTS RESPECTING INDUSTRIAL RELATIONS, LABOUR RELATIONS BOARD, INDUSTRIAL INQUIRY COMMISSIONS AND CONCILIATION BOARDS

Hon. Martin P. O'Connell (Minister of Labour) moved for leave to introduce Bill C-183, to amend the Canada Labour Code.

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

* * *

WEST COAST MARINE TRAFFIC REPORTING ZONE BILL

PROVISION FOR CERTAIN REPORTS BY VESSELS

Mr. D. W. Groos (Victoria) moved for leave to introduce Bill C-184, respecting the reporting of marine traffic off the west coast of Canada.

Some hon. Members: Explain.

Mr. Groos: Mr. Speaker, the purpose of this bill, as explained in the bill, is to require vessels approaching the west coast of Canada to make certain reports with the eventual view of providing a greater degree of safety on the west coast than there is at present.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PERCENTAGE OF TOTAL FEDERAL TAX REVENUE PAID BY INDIVIDUALS AND CORPORATIONS

Question No. 5—**Mr. Broadbent:**

What percentage of total federal tax revenue was paid in each year between 1939 and 1970 by (a) individuals (b) corporations?

Hon. Herb Gray (Minister of National Revenue): The federal tax revenues for Customs and Excise and Taxation for the period 1939-1970 are shown in the Department's Annual Reports tabled in the House each year. The revenues collected by the Taxation Division are generally shown separately in the Annual Reports for individuals and corporations. However, import records are not kept in such a way as to provide such separate figures in the case of duties and taxes.

POST OFFICE DEPARTMENT—OFFICE SPACE LEASED IN HALIFAX, N.S.

Question No. 75—**Mr. McCleave:**

1. How many square feet of office space are leased by the Post Office Department in the City of Halifax, from whom is the space leased, at what annual rental and for what period of time?

2. How much office space is presently in use by the Post Office Department that is located in buildings owned by the federal government?

3. What is the present total of members of the Public Service who are employees of the Post Office Department, how many of this number are full-time and how many are part-time employees, and what are the comparable figures for the years 1969, 1970 and 1971?

4. Of the total number of employees of the Post Office Department in the Halifax area, how many are associated with local services, how many are associated with regional services and what are the comparable figures for the years 1969, 1970 and 1971?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Public Works and the Post Office Department as follows:
1. The following space is leased by the Department of Public Works for the Post Office Department in the City of Halifax:

Area in Square Feet	Owner of Building	Annual Rental	Period of Lease
407	Canadian National Railways	$ 814.00	During pleasure
3,700	Dresden Arms Ltd.	9,000.00	4 years terminating January 3, 1973.
8,219	Halifax Development Ltd.	55,889.50	3 years terminating March 31, 1974.

2.

Area in Square Feet	Crown-owned Building
116,642	Federal Building—Bedford Row
7,758	Armdale postal Station
2,703	North End Postal Station

3.	31-3-69	31-3-70	31-3-71	31-1-72
Full Time Employees	35,437	36,455	36,980	37,836
Part Time Employees	5,947	6,591	6,898	7,021

4.	31-3-69	31-3-70	31-3-71	31-1-72
Local Services	424	440	450	448
Regional Services	90	85	71	89

CANADIAN GRAINS COMMISSION—SALARIES OF MEMBERS

Question No. 222—**Mr. Burton:**

What is the salary of each member of the Canadian Grains Commission?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Chief Commissioner, H. D. Pound, $23,500-29,000. Assistant Chief Commissioner, C. L. Shuttleworth, $20,000-25,000. Commissioner, F. M. Hetland, $20,000-25,000.

COMBINES INVESTIGATION ACT—INVESTIGATION OF REAL ESTATE AGENTS TARIFFS

Question No. 248—**Mr. Robinson:**

Does the government intend to investigate real estate agent tariffs under the Combines Investigation Act?

Mr. D. R. Tolmie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): No. Real estate agent tariffs do not come within the purview of the Combines Investigation Act.

REPRESENTATIONS TO SUDANESE GOVERNMENT CONCERNING ITS UNDECLARED CIVIL WAR

Question No. 269—**Mr. Robinson:**

1. Has the government made any representations to the Sudanese Government concerning its undeclared civil war?

2. Will the government make representation to the United Nations regarding the situation in the Sudan?

3. Has the government contributed anything towards refugee relief in the Sudan and, if not, will it consider making a contribution towards the refugee relief program?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The government has not made any representations to the Sudanese government on the subject cited,

which evidently is in the domain of Sudanese internal affairs.

2. The government does not consider it appropriate to make representations before the United Nations about a Sudanese internal matter.

3. Canada does not have a bilateral aid program in the Sudan. However, Canada does contribute to the World Food Program, the United Nations High Commission for Refugees and various other relief agencies which administer aid programs within the Sudan. If in the context of a special United Nations program Canada were asked to provide aid specifically for refugees from the Sudan, such request would be considered in the context of the government's multilateral aid priorities and any other considerations relevant at that time.

LOCAL INITIATIVES PROGRAM

Question No. 277—**Mr. Korchinski:**

Under the Local Initiatives Program, in each province (a) how many applications were made (b) how many programs were turned down (c) what was the cumulative amount of the federal grants requested (d) what was the total amount granted for projects?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Under the Local Initiatives Program in each province:

(a) Records as of March 8, 1972 indicate that the following number of applications were received: Newfoundland, 1,142; Nova Scotia, 1,009; Prince Edward Island, 258; New Brunswick, 712; Quebec, 5,215; Ontario, 2,238; Manitoba, 594; Saskatchewan, 493; Alberta, 607; Northwest Territories, 109; British Columbia, 1,323; Yukon 36; Total, 13,736.

(b) No separate records are maintained only for those applications turned down. Records as of March 8, 1972 indicate that the following number of applications were turned down, withdrawn, or cancelled. Newfoundland, 683; Nova Scotia, 573; Prince Edward Island, 133; New Brunswick, 326; Quebec, 3,088; Ontario, 1,190; Manitoba, 373; Saskatchewan, 321; Alberta, 299; Northwest Territories, 66; British Columbia, 655; Yukon 14; Total 7,721.

(c) Latest available information indicates the following cumulative amounts of federal grants requested: Newfoundland, $34,285,000; Nova Scotia, $29,109,000; Prince Edward Island, $6,184,000; New Brunswick, $24,015,000; Quebec, $205,487,000; Ontario, $71,042,000; Manitoba, $28,083,000; Saskatchewan, $15,910,000; Alberta, $20,635,000; Northwest Territories, $2,948,000; British Columbia, $42,141,000; Yukon $755,000; Total, $480,594,000.

(d) Final approvals are now being processed and the last of the contracts finalized. When this is completed the total amount granted will be compiled.

NATIONAL DEFENCE—REMOVAL OF CROWN FROM BUTTONS AND INSIGNIA ON UNIFORMS

Question No. 312—**Mr. MacKay:**

Is the symbol of the Crown being removed from buttons and insignia of the military and, if so, at what cost?

[Mr. Sharp.]

Mr. J.-R. Comtois (Parliamentary Secretary to Minister of National Defence): No; not applicable.

NATIONAL DEFENCE—ACQUISITION FROM CHINA OF SUPERSONIC COMBAT AIRCRAFT

Question No. 314—**Mr. Robinson:**

Is the government considering the acquisition from China of a quantity of supersonic combat aircraft, such as the F-9 or other aircraft capable of flying at twice the speed of sound?

Mr. J.-R. Comtois (Parliamentary Secretary to Minister of National Defence): No.

ORAL QUESTION PERIOD

NATIONAL SECURITY

POSSIBLE INVOLVEMENT OF MEMBERS OF SOVIET EMBASSY STAFF IN ESPIONAGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to address a question to the Prime Minister on a matter that needs clarification, especially in view of reports in the press. Has the government received information implicating members of the staff of the Soviet Embassy in Canada in espionage activities?

Right Hon. P. E. Trudeau (Prime Minister): Members of my staff, Mr. Speaker?

Mr. Stanfield: Mr. Speaker, I would never accuse members of the Prime Minister's staff of that, whatever else. I ask the Prime Minister whether the government has received information implicating members of the staff of the Soviet Embassy in Canada in espionage activities, as reported in the press?

Mr. Trudeau: Mr. Speaker, if the Leader of the Opposition is referring to anything recent the answer to that is no, but I must go on to say that in a matter of espionage and security information it would not be customary for any member on the government side to volunteer information publicly.

Mr. Stanfield: Can the Prime Minister indicate whether the government has requested the withdrawal from Canada of any members of the Soviet Embassy on the basis of alleged espionage activities?

Mr. Trudeau: Mr. Speaker, having answered no to the first question, certainly the answer to the second question follows.

* * *

GRAIN

PROVISION OF EQUIPMENT BY RAILWAYS TO MEET EXPORT COMMITMENTS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in view of the statement by the president of the Saskatche-

wan Wheat Pool that to meet export grain commitments from west coast ports 800 cars will have to be unloaded daily, and at Thunder Bay 1,700 daily after May 1, and that this level will have to be maintained through to November, can the minister responsible for the Wheat Board inform the House whether he has received any commitment from the CNR and the CPR to provide the equipment which would enable these levels to be maintained?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the figures quoted might perhaps even be considered minimum requirements in view of the tremendous sales prospects for Canadian grain. The Wheat Board has held discussions with the railroads and so have members of the government. We shall be continuing to hold such discussions. The railways have indicated the number of cars they are able to provide in connection with the movement of grain. The number of unloadings that can be accomplished tends to depend in part on the manner in which the system as a whole operates, the manner in which the terminals and the elevators operate. As I say, discussions are continuing. I expect to have a further meeting in a week or so with the railways and the elevator companies in connection with this matter.

Mr. Gleave: Does the fact that the minister has found it necessary to call such a general meeting of the grain companies, the railroads and the Wheat Board for April 6, according to news reports, indicate that the transportation committee, which is representative of the railroads, the Wheat Board and the department, has been unable to secure adequate commitments and co-operation from the railroads to move the grain into export positions? Is that the conclusion one should draw?

Mr. Lang: I do not think that is really a fair conclusion. The present committee is doing a very good job to make the existing system work to the maximum. Some additional policy decisions on the part of some of the companies may be involved, and at this point a meeting at a higher level seems to be in order. There is always a danger in times like these that one part of the industry may accuse another part of the industry of causing the problem in increasing total movement. Only the opposition is consistent in always accusing the government—

Some hon. Members: Oh, oh!

Mr. Lang: —when we are trying to solve the problem rather than to leave people simply pointing fingers at one another.

WITHDRAWAL BY WHEAT BOARD OF OFFERS TO SELL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to ask the minister whether it is a fact that the Wheat Board has withdrawn all offers to sell wheat ex-Pacific until the situation at the coast returns to normal, which could be several weeks from now?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, that is not a fact. The Wheat Board is continuing to sell wheat for many dates out of Vancouver. I have a report only ten days old of a further sale in that connection. Selling is continuing even while every effort is being made to catch up on the backlog of grain shipments from Vancouver.

Mr. Diefenbaker: Can the minister get to a date closer than ten days ago? I am reading from a report by James Richardson and Sons, of which the Minister of Supply and Services was at one time the head. It states that all offers have been withdrawn by the Wheat Board for export sales of wheat. Is that correct or not?

Mr. Lang: As I have indicated, not long ago another sale was made by the Wheat Board out of Vancouver. This shows that selling is continuing for different periods and times. Of course, for the immediate period, the rest of March and the month of April, sales were made by the board a long time ago to the maximum of the handling capacity.

Mr. Diefenbaker: I do not seem to be able to get my question over to the minister. I asked him whether it is a fact that as of March 23 the Wheat Board has withdrawn offers for export sales of wheat ex-Pacific, or is this statement by Richardson and Sons fictitious?

Mr. Speaker: Order, please. The right hon. gentleman knows he should not ask for verification of a statement. He can, however, ask the question directly. The question can be asked and answered on that basis.

Mr. Diefenbaker: Mr. Speaker, I was trying to give the statement prestige. Will the minister, without the suggestion that came from—

Mr. Guay (St. Boniface): Oh, oh!

Mr. Diefenbaker: The hon. member will be the expurgatorious member if he doesn't watch out. I ask the minister: Is it a fact that no orders are now being taken by the Wheat Board for shipment of wheat from the Pacific coast and that there will not be such orders for several weeks?

• (1430)

Mr. Lang: Mr. Speaker, as I made clear to the House before and in my answer to the right hon. gentleman again this afternoon, for a particular point in time offers are not being taken. The Wheat Board is continuing to accept offers for future deliveries of grain beyond the period of the immediate catch-up—

Mr. Speaker: Order, please. I think I should recognize the hon. member for Saskatoon-Biggar. A number of members are seeking to ask supplementaries, but the hon. member for Saskatoon-Biggar asked the first question and in fairness I think he should be given an opportunity to ask a supplementary at this time.

PROVISION OF EQUIPMENT BY RAILWAYS TO MEET EXPORT COMMITMENTS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, the question I asked the minister was quite specific. Has he been able to obtain from the railways a commitment to provide adequate equipment, and has the minister been

able to get the kind of co-operation that is required to move our grain into export positions?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, not only is the question very specific, it is also very simple, but the answer is very complex. The railways have indicated the equipment they have available under the circumstances to move an export volume of 800 million bushels of grain. Under certain additional circumstances some additional movement of grain is possible. Our targets continue to be higher than even the present unheard of figures. Therefore we are continuing to discuss additional ways of moving grain.

PROVISION OF MAXIMUM STOCKS AT LAKEHEAD FOR OPENING OF NAVIGATION—NUMBER OF DIESEL ENGINES UNDER REPAIR

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a supplementary question. In view of the fact that stocks of all grains at the Lakehead on March 1, 1972, were down by 22.2 million bushels from stocks held on the same date a year ago, is the minister prepared to state what measures the government is taking to ensure maximum stocks for the opening of the shipping season at the Lakehead?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the last report I had from the Wheat Board indicated that the schedule they have for adding to the stocks at Thunder Bay is being exceeded. The report shows something of the order of 70 million bushels of grain in store, though that figure is now some days out of date. The Wheat Board is satisfied with the progress being made in having ready the necessary quantities at Thunder Bay when navigation opens.

Mr. Knight: I wonder whether the minister is prepared to state how many 3,000 horsepower diesel engines are in the Montreal yards for repair and whether or not this is having an adverse effect on the movement of western grains?

Mr. Lang: Mr. Speaker, if the question refers to the CNR I am sure my colleague the Minister of Transport will be glad to obtain that information for the hon. member. I am not sure whether this information could be obtained for the CPR.

SUGGESTED USE OF UNIT TRAIN TO MOVE GRAIN TO VANCOUVER

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a supplementary question. In light of the reply the minister gave me and other hon. members last Thursday that there were over 20 ships waiting at Vancouver, and also in light of the experience gained from the unit train which was inaugurated last November and moved over a quarter of a million bushels of grain, is another unit train of that order being made up in order to load the ships now waiting, avoid demurrage and at least try to catch up on some of our commitments?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the whole question of the use of the inland terminals and the extra expense involved if they are used in certain ways is being actively examined. I am looking forward to deliveries being made by farmers to inland terminals in the fairly near future and we will take the necessary steps to ensure that those deliveries take place. It seems to me that with the peak movement we are likely to face, as well as the immediate problem at Vancouver, the movement of clean grain in that fashion may add to our efficiency.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Mackenzie on another supplementary question and then will recognize the hon. member for Bellechasse. We can return to this matter in due course.

Mr. Korchinski: Mr. Speaker, may I ask whether at the present time the Wheat Board has authorized the terminals at Saskatoon to take grain directly from producers in anticipation of such movement?

Mr. Lang: Mr. Speaker, for some time the inland terminals have been taking in grain on behalf of specific elevator companies which made this arrangement with the Canada Grain Commission. In addition, I have asked the Wheat Board to examine with the commission the use of these terminals as alternate delivery points for all producers, and I expect a reply on this subject from the Wheat Board almost momentarily.

* * *

[*Translation*]

AGRICULTURE

APPOINTMENT OF MEMBERS TO NATIONAL FARM PRODUCTS MARKETING COUNCIL—SUGGESTIONS FROM AGRICULTURAL ORGANIZATIONS—DATE OF ESTABLISHMENT

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

May I ask him whether farm producers' organizations have submitted any list of names of persons whom the cabinet could appoint as members of the National Farm Products Marketing Council?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to ask a supplementary question of the minister.

Now that he has replied affirmatively, may I ask the minister whether he will take into account the suggestions submitted by those organizations, and when will the Council members be appointed?

[*English*]

Mr. Olson: The answer to the first part of the question, Mr. Speaker, is yes, they have been taken into consideration. To the second part of the question the answer is, I hope very soon.

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—ROLE OF INDUSTRIAL REFERRAL CENTRE—CONSULTATION TO ACHIEVE PRIVATE FUNDING OF PROJECTS NOT ACCEPTED

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Secretary of State. In view of the answers given and reports issued last week by the minister, in recognition of the fact that there are some 7,000 more project submissions under the Opportunities for Youth program, and in view of the government's inability to increase very much the capacity over last year, with the likelihood that five out of six projects will be rejected, or 160,000 young people will not be receiving a satisfactory answer, can the minister elaborate on his answer to me last Wednesday regarding the use of some industrial referral centre and what kind of consultation is going on for the private funding of the many projects that will not be accepted?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I have already told the hon. member that action is being taken to that effect. On the other hand, were I to start giving all the details in reply to a question, Your Honour would have to reduce me to silence.

If, at any time, I do consider or the House does consider it important enough to justify a new statement on motions, I shall be happy to oblige.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, perhaps the minister might take under consideration either the making of a statement on motions or taking the opportunity to make some public elaboration of this important question. In view of the fact that some 75 per cent of the students last summer found employment in the private sector, and in view of the great need for expanding employment opportunities in the private sector, would the minister say briefly whether he or any other member of the government has taken any initiative in terms of encouraging the private sector to develop some over-all plan for meeting the potentially very large amount of unemployment facing our young people this summer?

[*Translation*]

Mr. Pelletier: Yes, Mr. Speaker.

[*English*]

Mr. MacDonald (Egmont): A further supplementary question, Mr. Speaker. I apologize for asking another supplementary but I think the minister might assist if he would indicate, even briefly, what the nature of this consultation has been or who is taking responsibility for this important area?

Mr. Speaker: Order, please. I would hope this can be done briefly because normally the information sought by the hon. member would require a general statement on motions. If the minister can reply briefly he will be recognized for that purpose.

[*Translation*]

Mr. Pelletier: I cannot do so briefly, Mr. Speaker.

[*English*]

Mr. MacDonald (Egmont): May I ask a final supplementary, Mr. Speaker?

Mr. Speaker: Order, please. The hon. member is asking leave to ask a third supplementary. He will be recognized for this purpose but I believe the hon. member for Gaspé also has a supplementary and his turn will come in a moment.

Mr. MacDonald (Egmont): In view of the imminence of many hundreds of thousands of young people coming into the labour force, temporarily or permanently, within the next few weeks, can the minister indicate when, and in what form, we might have some elaboration in terms of an answer to these important questions?

Mr. Pelletier: What is the question exactly? I heard the dissertation but not the question.

Mr. MacDonald (Egmont): When may we have an answer in some detail to the questions I have been putting?

Mr. Pelletier: Soon.

• (1440)

[*Translation*]

OPPORTUNITIES FOR YOUTH PROGRAM—MEASURES TO LIMIT PARTICIPATION TO CANADIAN CITIZENS

Mr. Alexandre Cyr (Gaspé): I have a supplementary, Mr. Speaker.

In connection with the 1972 Opportunities for Youth program, do relevant regulations provide that American or European youths in Canada on a temporary basis or on holidays are not eligible for that program? And what steps will be taken to ensure that this program will benefit Canadians exclusively?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the regulations provide that it applies to Canadians or legal residents of Canada. Besides, the publicity and the criteria of the program did mention that condition. If the attention of our agents is drawn to a litigious case when they visit the projects, steps will then be taken to straighten out the situation.

* * *

[*English*]

POWER

JAMES BAY HYDROELECTRIC DEVELOPMENT—FEDERAL PARTICIPATION IN NEGOTIATIONS ON PROBLEMS OF INDIANS AND ESKIMOS

Mr. Raymond Rock (Lachine): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development regarding the protest march held by 200 Indian youth in order to draw public attention to the plight of Indians, Eskimos and Métis in respect of the James Bay hydroelectric development. Is this the kind of negotiation taking place when the parliamentary secretary stated that the Indians in the James Bay area are

negotiating for themselves with the provincial government?

Mr. Speaker: Order, please. I am sure the hon. member is not suggesting that his question is in order in procedural terms. The hon. member for Greenwood.

Mr. Brewin: My question is addressed—

Mr. Rock: I should like to ask a supplementary question.

Mr. Speaker: Order, please. Perhaps it might be better if I recognized the hon. member for Lachine first so that he may rephrase the question and put it in proper form.

Mr. Rock: Mr. Speaker, is there any federal participation in negotiation of the Indian and Eskimo problems in the James Bay area?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have answered that question on several occasions.

The Quebec Indians are now conferring with the government of that province in connection with the James Bay development. I keep informed regularly about the talks. Indeed, last week I met the president of the Indian Association as well as the president of the New Quebec Indian Association and I can assure hon. members that we are closely following the situation. However, at the present time the Quebec Indians have asked us not to intervene.

[*English*]

[*Later:*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is to the Minister of Indian Affairs and Northern Development. Since the federal government has direct responsibility for looking after the best interests of the Indian people, will he inform the House why he or the government is not taking direct action in the negotiations that are taking place on behalf of the James Bay people?

Mr. Chrétien: Mr. Speaker, because we are less paternalistic than the previous government used to be.

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AIRPORTS

PICKERING TOWNSHIP SITE—POSSIBILITY OF PLEBISCITE TO ASCERTAIN VIEWS OF THOSE CONCERNED

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Prime Minister. In suggesting that if 51 per cent of the people to be served by the new international airport in Ontario do not approve of the site the proposal will not be proceeded with, is the Prime Minister envisaging a plebiscite, or how will he determine the views of those concerned?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the statement about the 51 per cent is a fair view of democracy. With regard to a plebiscite or referendum, the hon. member knows they are not customary in our form of government. We have a representative form of democracy and, as far as I know, the representatives of Ontario, particularly the Toronto area, have indicated they are in favour of and support this airport. If enough M.P.'s from the opposition wish to indicate to me that they are against the airport in the Toronto area, I will consider other ways of determining where the majority lies.

* * *

EXTERNAL AFFAIRS

NEGOTIATIONS WITH FRANCE ON OWNERSHIP OF UNDERWATER TERRITORY BETWEEN ST. PIERRE-MIQUELON AND NOVA SCOTIA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs concerning discussions with the French government regarding ownership of underwater territory between St. Pierre-Miquelon and Nova Scotia. Can he advise whether negotiations are in progress with the government of France on this matter, and what is this government's position in respect of what Premier Regan calls outrageous French claims?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there have been negotiations from time to time and we hope they can be renewed in the near future. The French have suggested the boundary should be on the basis of equidistance. Our position, which of course is the same as Mr. Regan's, is that "special circumstances" justify another boundary giving a smaller area of shelf to France. If a settlement satisfactory to Canada cannot be reached on the basis of negotiation, this government would be prepared to refer the matter for arbitration.

Mr. Macquarrie: Mr. Speaker, can the minister say whether on this very important matter he is keeping in touch with the embattled premier of Nova Scotia?

Mr. Sharp: Yes, Mr. Speaker, on such matters we do keep closely in touch with those who are likely to be affected.

* * *

FISHERIES

INCIDENT WITH RUSSIAN SHIP—INQUIRY AS TO PROTEST—REPRESENTATIONS RESPECTING DEPLETION OF RESOURCES OFF EAST COAST

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to ask the Prime Minister whether the Canadian government, either through the Prime Minister or the Secretary of State for External Affairs, officially protested the recent incident of intimidation by a Russian vessel of a Canadian ship off the east coast of Canada? If so, what was the response to that official protest?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, perhaps I will take notice of that question on behalf of the minister responsible for fisheries.

Mr. Lundrigan: Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. I ask it with a certain feeling that the Prime Minister has neglected to protest this incident officially. Has the Canadian government under any type of surveillance the 75 Russian ships that are now launching naval war on the marine resources off the east coast of Canada? If so, has the government made an official protest? This is not a light question as might be indicated by the rather jocular response across the way.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It seems to me everybody was listening; I know I was. In any event, the hon. member should ask his question.

Mr. Lundrigan: There are a lot of people not paying attention to this type of problem off the east coast of Canada. Has the federal government, through the Prime Minister or the minister, in fact made any protest to the Soviet Union with a request to discontinue this type of slaughter of our marine resources off the east coast of Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have been making representations to many countries, not only the Soviet Union, about the need to conserve the fisheries resources, of which my hon. friend is so well aware. But, as I said earlier, our purpose is try to get co-operation. It is not the satisfaction of making protests that interests us. What we are trying to do is to get better conservation of the marine resources surrounding our shores.

• (1450)

Mr. McGrath: Mr. Speaker—

Mr. Speaker: Order, please. I should recognize the hon. member for Surrey-White Rock and we will return to the hon. member for St. John's East later.

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YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—TASK FORCE RECOMMENDATION OF SIMILAR PROGRAM FOR AGED

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, my question is for the Secretary of State. Having in mind the report of the task force on the Opportunities for Youth program, which contained a recommendation that there should be opportunities for all people including senior citizens, is any consideration being given at this time to the recommendation of the task force, namely, the establishment of an opportunities for age program?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, that part of the report was not really included in the terms of reference of the task force. Therefore, it is a recommendation which is outside the scope of the study. We know that a similar recommendation had already been made several months ago by the task force on youth.

Those questions are now being studied and considered by the government to find adequate solutions.

* * *

[*English*]

FISHERIES

INCIDENT WITH RUSSIAN SHIPS—INQUIRY AS TO PROTEST

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Secretary of State for External Affairs similar to the question I directed to the Minister of Fisheries on Friday. Has the government protested the incident during which three Russian trawlers in a gang fishing operation very nearly collided with a Canadian trawler and the subsequent refusal of the Russians to discuss with the Canadian fisheries patrol vessel the rules of the road in fishing off the east coast? Has there been a specific protest to the Russian authorities regarding this incident and their refusal to discuss safety precautions with our people?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I myself have not entered any such protest. It may have been that some of my officials have discussed this with the Russians; I will try to determine that.

ACTIVITIES OF FOREIGN DRAGGERS IN GULF OF ST. LAWRENCE—GOVERNMENT ACTION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Secretary of State for External Affairs. Can he indicate to the House whether he has been made aware of the intensity of activities of foreign draggers in the Gulf of St. Lawrence off the southwest coast of Newfoundland, and what action is being taken in this regard?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I will make inquiries, Mr. Speaker. I am sure my colleague, the Minister of Fisheries, has been very actively following these events.

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Gander-Twillingate, but I have to bring to the attention of hon. members that there are 15 or 20 members seeking an opportunity to ask questions and we should give them an opportunity to do so.

INCIDENT WITH RUSSIAN SHIPS—CONSERVATION OF RESOURCES—SUGGESTED REPRESENTATIONS BY PRIME MINISTER

Mr. John Lundrigan (Gander-Twillingate): My supplementary question is directed to the right hon. Prime Minister. In view of the fact the only protest came from the director of fisheries for the province of Newfoundland, would the Prime Minister himself consider a primeministerial representation to the Soviet Union to try to emphasize the dangers involved in the incident referred to and, second, the impact of that kind of attack on the resources of the east coast of Canada?

Right Hon. P. E. Trudeau (Prime Minister): None of the answers given to this series of questions support the premise put forward by the hon. member.

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order, please. I do not think that we should embark on a debate. If the hon. member has a supplementary question, he might be recognized for this purpose. Then we will try to go on to the next subject.

Mr. MacInnis: Mr. Speaker, I rise on a point of order brought on by the remark by the Prime Minister that no answers given to hon. members in respect of these incidents support the premise. If the Prime Minister would check with the Secretary of State for External Affairs he would find that the latter referred to the fact that the Minister of Fisheries was following this incident closely.

Mr. Speaker: Of course that is not a point of order; that is debate. We have to try to proceed. A number of hon. members and right hon. members are waiting for an opportunity to ask questions.

Mr. Lundrigan: I would simply ask the Prime Minister whether he would officially protest the recent incident to the Soviet Union and as well express the concern of Canada about Russian fishing activity off the east coast of Canada at present?

Mr. Trudeau: I have nothing to add to the answers that have been given.

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CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—RESENTMENT OF PUBLIC AGAINST LACK OF HOCKEY TELECASTS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, mine is a non-controversial question directed to the Secretary of State. It has to do with the NABET strike and the degree to which that strike is interfering with the pleasure of hundreds of thousands of Canadians who are being denied hockey broadcasts. Has the minister brought to the attention of the CBC that there is an aroused antagonism to what is taking place, and can he advise whether the CBC is prepared to relieve the viewers of Canada from being held up to ransom on the part of the employees of the CBC?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, there was no need for me to bring these facts to the attention of CBC management which is very well aware of them.

As for the action taken to bring to an end those labour problems within the CBC, I made a report to the House on every stage. I must say that right now negotiations seem to have resumed but, and I repeat what I have said several times, it is not for the government to settle that matter or to negotiate in place of CBC management. The latter has that responsibility.

[Mr. Lundrigan.]

[*English*]

Mr. Diefenbaker: If the minister, with his accustomed diplomatic attitude, would speak to the representatives of NABET I am sure he would convince them to the same extent that he does the members of this House.

DISPUTE WITH NABET—NATURE OF NEGOTIATIONS—GOVERNMENT INITIATIVE TO SETTLE

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Secretary of State a question that does not make accusations against the employees of the CBC. Can he tell us whether the negotiations which have been resumed are taking place under a mediator or conciliator and whether the CBC as the employer is making some moves to make possible a settlement between the two parties?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I already answered this question last week. It is understood that in this meeting that has been referred to as "a summit meeting", it is the union management and the CBC management that have met around a table. But, as far as I know, this did not eliminate the role of the mediators who are still at work, as far as I know.

[*English*]

Mr. Lewis: I have a further supplementary, Mr. Speaker. In view of the fact that negotiations have gone on for many months and that after the conciliation board report that the CBC would not meet except on the basis of that report, and in view of the fact that the minister answers to parliament on any question dealing with the CBC, may I ask him whether it is not appropriate for him and the government to take some initiative in getting these negotiations going on a proper basis instead of the feet-dragging that has taken place for a year?

Mr. Speaker: Order, please. It seems to me that the hon. member's question is at the same time a suggestion and an argument.

[*Translation*]

DISPUTE WITH NABET—MEASURES TO AVOID LOCKOUT

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a supplementary question to the Secretary of State.

Could the minister say what steps the government intends to take if the members of NABET impose a lockout to other CBC employees?

Mr. Speaker: I think that the hon. member will recognize that this question is hypothetical and cannot be put in these terms.

Mr. Valade: May I clarify my question, Mr. Speaker?

I should like to ask the Secretary of State what are the steps that the government intends to take should the union members involved in the labour dispute with the CBC decide to keep the regular CBC employees from going back to work?

Mr. Speaker: Even rephrased, the question is still hypothetical.

* * *

[*English*]

TRADE

REQUEST FOR OUTLINE OF POINTS OF DISAGREEMENT WITH UNITED STATES OR STATEMENT FOLLOWING PRESIDENT NIXON'S VISIT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister arising out of the reported statement of President Nixon that very basic disagreements exist between the United States and Canada. I should like to ask the Prime Minister whether he intends to outline to the House and to the people of the country in a precise way what these disagreements are?

• (1500)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is, of course, no secret that in some of the trade negotiations we have not been able to conclude agreements which would be acceptable to both sides. As to the issues themselves, the Minister of Industry, Trade and Commerce on previous occasions has indicated what certain irritants were on their side and on our side. I think, as he has added quite properly, that it would not be in the interests of the negotiations from the Canadian point of view for me to say now what the Canadian government is offering and what the United States does not think is enough.

Mr. Stanfield: Mr. Speaker, would the Prime Minister be prepared to make a fuller statement following the visit of President Nixon as to what disagreements continue, or are we to assume from the statement made over the weekend by the Minister of Industry, Trade and Commerce that this whole thing might be put over until after the election?

Mr. Trudeau: Mr. Speaker, that would depend, of course, on when the election takes place. So far as we are concerned, we have made offers to the United States which we hoped would settle this matter. They have not been formally accepted. The door is still open so far as we are concerned and, I am sure, so far as the Americans are concerned too. Informal contacts are being made to know when the negotiations might take place. Once again, whether they would take place before or after an election, or whether they would be successful or not, depends on a hypothetical event about which I know nothing.

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WELFARE

LEGALITY OF BRITISH COLUMBIA LEGISLATION LIMITING PROVISION OF ASSISTANCE—REQUEST FOR STATEMENT

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Health and Welfare concerning Bill 49 of the British Columbia legislature which would give the provincial minister complete power to decide who gets social assistance and who does not. Have the minister's legal advisers now told him whether or not in their opinion this bill violates the Canada Assistance Plan?

Mr. Speaker: Order, please. I am not sure exactly of the terms of the hon. member's question. If the hon. member is asking merely whether the minister has received an opinion, perhaps in those terms the question is acceptable.

Hon. John C. Munro (Minister of National Health and Welfare): Not formally, Mr. Speaker, but I am under the impression it is not clear at all that any type of illegality has taken place. This is due to several factors. I would advise the hon. member for one thing that my information—

Mr. Speaker: Order, please. I am sure the minister will appreciate the distinction I made. I think the hon. member appreciates that she cannot ask whether legislation is legal or illegal but can ask whether an opinion has been received. I believe the question is in order to that extent.

Mr. Munro: Without making specific reference to the legality or otherwise of the legislation, Mr. Speaker, I would advise that the legislation is in the process of being amended. The word "absolute" is being taken out of it, and the minister's discretion is subject to the regulations made under the act. Subject to further clarification, I have nothing more to add.

Mrs. MacInnis: Mr. Speaker, may I ask the minister if he would try to get further clarification and make a statement in the House about the whole situation before the Easter recess?

Mr. Munro: Mr. Speaker, I will try to make a statement in the House before the Easter recess if at all possible. Whether this is done by statement or by answer to another question perhaps could be left to me.

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TRADE

AUTOMOBILES—IMPORTATION DUTY FREE FROM PARENT COMPANIES IN UNITED STATES—JUSTIFICATION FOR HIGHER PRICES TO CANADIANS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. As the government allows Canadian branch plants to import duty free cars and parts from their parent companies in the United States has the minister, since taking over his portfolio, carefully examined the reasons put forward by these Canadian branch plants to justify the fact that they are charging an average of 8 per cent more to Canadians than to Americans for exactly the same model cars, particularly in view of the fact it takes no more today to manufacture or sell a car in Canada than it does in the United States?

Hon. John N. Turner (Minister of Finance): I have got the message the hon. member wants to give me, Mr. Speaker.

Mr. Hees: As a supplementary—

Inquiries of the Ministry

Mr. Speaker: Order, please. The hon. member for Malpeque. The hon. member might allow the Chair to recognize the hon. member for Malpeque since we have just about reached the end of the question period.

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PRINCE EDWARD ISLAND CENTENNIAL

FEDERAL CONTRIBUTION TO CELEBRATION OF ENTRY INTO CONFEDERATION—NATURE OF GRANT

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a question for the Secretary of State. Could he say whether he has reached agreement with the government of Prince Edward Island as to what is appropriate in the way of a contribution to the celebration next year of Prince Edward Island's centennial of its entry into confederation, and whether the financial grant which is made by the federal government is made upon condition that it be spent for certain purposes or is an unconditional grant?

Mr. Speaker: Order. I really think this kind of question normally ought to be placed on the order paper, but as it has been asked perhaps the minister might be allowed to reply.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Yes, Mr. Speaker, the amounts were awarded quite some time ago, or rather determined. The amount has been determined. As for the program on which it will be spent, I had an opportunity to discuss the matter last week with the premier of Prince Edward Island and the promoters seem to have an extremely interesting and diversified program, which will be announced in due course.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime MInister. In view of the fact that the Prime Minister has dismissed as mythical the suggestion that government decisions are influenced by corporate contributions, would he have any objection to tabling the list of the 95 corporate contributors to the Liberal party and, if not—

Mr. Speaker: Order, please. The hon. member knows he cannot ask a question in those terms. That question is clearly out of order. The hon. member is asking a question of another hon. member in a capacity other than his official capacity in this House. Again I do not think the question asked by the hon. member is in order.

Mr. Broadbent: Maybe I could rephrase the question.

Mr. Speaker: The hon. member for Oshawa-Whitby on a supplementary.

Mr. Broadbent: Would the Prime Minister provide to the House, either by a statement on motions or in some other form in the near future, a list of all those corporations that are also supporters of the Liberal party and that have received—

Mr. Speaker: Order, please. I have ruled that that type of question is clearly out of order and I cannot allow it. The hon. member for Prince Edward-Hastings.

Mr. Broadbent: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member rises on a point of order.

Mr. Broadbent: The point of order is that some dozens, in fact more than dozens, of corporations receive millions of dollars annually from the taxpayers of Canada. This has continued for many years. The question I am posing, and I would like to know why it is not in order, is that I would like to get from the government a list of those corporations that have received financial assistance in any form—

Mr. Speaker: Order, please. The question is asked in the wrong forum. The hon. member for Prince Edward-Hastings had a supplementary to a previous question and perhaps he might be allowed to ask his supplementary. I assume it will be in order. I have to apologize to a number of hon. members in the back rows who have not had a chance to ask their questions. Perhaps we might all make an effort tomorrow to give an opportunity to our distinguished colleagues in the other rows to participate more actively in the question period. The hon. member for Prince Edward-Hastings.

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TRADE

AUTOMOBILES—IMPORTATION DUTY FREE FROM PARENT COMPANIES IN UNITED STATES—JUSTIFICATION FOR HIGHER PRICES TO CANADIANS

Hon. George Hees (Prince Edward-Hastings): Yes, Mr. Speaker, as always it will be in order. My supplementary question relates to the fact that neither I nor anybody around me could hear the answer given by the minister. I have an idea that he said, "I got the message." If that is correct, does that mean he will look into the matter immediately and report to the House as soon as possible?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am aware of the situation that the hon. member describes. He does have a point, and we are reviewing it.

Mr. Speaker: Orders of the day.

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AIRPORTS

PICKERING TOWNSHIP SITE—CONSULTATION WITH ONTARIO AUTHORITIES BY PRIME MINISTER PRIOR TO STATEMENT RESPECTING DISAPPROVAL

Mr. Lincoln M. Alexander (Hamilton West): I rise on a point of order, Mr. Speaker. It is never my position to question a ruling of the Chair, but I do believe a very important issue was brought to the attention of hon. mem-

bers this afternoon regarding the site of the new international airport in Pickering Township. I believe that the Prime Minister's statement, holding out hopes to so many people as to the possibility of there being another choice, does demand some clarification, particularly in view of the fact the choice of this site was made in conjunction with the province of Ontario. I would hope that perhaps the Prime Minister would indicate whether he did, in fact, discuss this matter with the province of Ontario before making that statement.

Mr. Speaker: Order, please. Hon. members have previously sought to ask supplementary questions by way of points of order, and I have suggested that this is irregular. Hon. members may feel that during the question period they do not have a chance to ask their questions or supplementary questions. Obviously, if a large number of hon. members are anxious to ask questions, and we have only 40 minutes, there will be some who will not have that opportunity. I doubt very much that it is regular, when we have gone more than five minutes beyond the end of the question period, for hon. members, on a point of order, to seek to ask a supplementary, even when it relates to a matter as important as the one brought up by the hon. member for Hamilton West. Having said all this, if, of course, there is unanimous consent to allow the minister responsible to reply to the hon. member's supplementary question, which I repeat is not a point of order, the Chair has no objection to allowing the minister to reply to it.

Some hon. Members: Agreed.

Mr. Speaker: Order. It seems to me that the question has now been asked. I am not sure to whom it was directed, but if someone will reply to the hon. member's question I will then call orders of the day.

Mr. Alexander: Thank you very much, Mr. Speaker. This is supplementary to the questions asked of the Prime Minister earlier regarding the site of the Pickering airport. In view of the fact that when this decision was made it was made in conjunction with the province of Ontario, did the Prime Minister have any discussions with the authorities of the province of Ontario responsible for this decision subsequent to the statement made by the minister when this whole matter was aired, and prior to the time the Prime Minister made the statement, whereby he gave some indication—

Mr. Speaker: Order, please.

Mr. Alexander: —that if in excess of 51 per cent of the people disapproved—

Mr. Speaker: Order, please. I think that not only is that not a point of order but I would not think it qualifies as a legitimate question that could be asked during the question period.

Mr. Alexander: Let me rephrase it.

Mr. Speaker: The hon. member for Sainte-Marie.

Mr. Alexander: On a point of order, Mr. Speaker, perhaps I can shorten the question to the point where the Prime Minister can answer yes or no. Prior to the time the Prime Minister made the statement regarding the 51 per cent, did he discuss the matter with the provincial authorities, and did they give him authority to say that if 51 per cent of the people did not want it there would not be an airport?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, my authority is the constitution of Canada.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I rise on a question of privilege.

I put a question to the hon. Secretary of State. Because of the way I worded the question, there might be some ambiguity as to its substance and I should like to clarify it in order to prevent prejudice to the members of NABET.

I did not intend to suggest that the union could force a lock-out, but rather that the CBC could do so in regard to its employees.

• (1510)

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed, from Friday, March 24, consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, when we adjourned last Friday I was saying that the first duty of a responsible government is to provide the funds necessary to ensure satisfactory operation of the economic life of Canadians. I know that some people may accuse me of again talking about money. In fact, did the Minister of National Health and Welfare (Mr. Munro) himself not talk of this all through his speech—and yet, none of my colleagues will blame him for it.

I said before that we live in society in order to be assured of a greater opportunity for comfort and well-being, and I must add that the government which society has chosen is in a sense a board of directors which manages common funds and which should govern from above as a sovereign and supreme adjudicator, with complete impartiality, and only in the interest of the common good and of justice.

In 1971, the members of our society produced through their work about $95 billion worth of products, but because of the modernization of our means of production and of our association, the buying power distributed between the members of society during this production cycle is lower than the volume of production, which shows that there are surpluses.

The board of directors—i.e., the government—should therefore distribute this surplus equitably by issuing new funds—that is, by increasing the volume of buying power in the same proportion and at the same rate as Canadians

increase production—in order to ensure a satisfactory economic life for Canada.

Society is a type of federalism within which an economic system is established. Ours is a capitalist system which is not bad in itself, but has been distorted. Its structure, though, is sound. However, order is violated when capital always receives the largest reward and the people are but a means of enhancing still more the money capital with no regard for the rights of human capital, of human dignity or of the social nature of economic activity, or even of social justice and common good.

To be true to ourselves and just towards others, Parliament has the duty to recognize that in order to effectively participate in this capitalist system, everyone should necessarily enjoy a basic capital, that is a capital related to his individual and family responsibilities, otherwise we contribute to a greater distortion of the capitalist system.

This system is in need of reform and it will be reformed by men of order with and for us, or else without and against us.

If accepted, the economic and social security systems proposed by the Social Credit party of Canada would already amount to a most worthy reform since Canadian families would receive a supplementary capital enabling them to share in Canada's plenty.

We have already shown that due to the increase of the cost of living, it has become necessary to increase to $5,000 the tax exemption for a married couple plus $500 for each child, and to $2,500 for a single taxpayer.

• (1520)

We have also shown that it would be possible to give family allowances of $250 a year for children 17 years of age or less and to make available an initial capital of $1,200 to those 18 and over.

Since participation in our capitalist system requires capital and most younger people do not have any besides whatever money they can save on their salary and since it is presently impossible for a great many to find a job, there is no more efficient means than the one we propose. And they can double, triple and produce even more with that capital which is practically a minimum, and the whole country will benefit from it.

This formula would accomplish the opposite of what welfare and unemployment insurance do, both of which force recipients to remain inactive and unproductive.

Achieving this plan will require money and in order not to strip those who are working and paying taxes, there is only one way: our sovereign government should regain the right to cash in on our credit by setting up a national credit board which would guide the Bank of Canada. This way we would have a truly social credit instead of a debt credit as is the case now.

High finance servants sometimes retort that if that were possible, it would have been done in other countries. Mr. Speaker, I should like to point out a fact that happened in the United States a little more than a 100 years ago, under president Abraham Lincoln.

International finance at that time had taken possession of America as well as Europe, keeping constant watch over its positions. One man dared one day insult it. He had to pay with his life. It was, I believe, the greatest president of the United States.

He was the son of a settler and never had the chance to go to school. But having learned to read from his mother and having studied law at night, after his hard day in the woods or in the fields, Lincoln finally became president of the United States at a critical time when the North and the South were at war.

Gifted with a staunch common sense and led by an unequalled rectitude of mind, Lincoln considered that if private banks make money and have people accept it, while passing it as debts, a sovereign government could make it as well and give it at least the same flexibility. So he asked the Treasury Secretary Chase to float successively three issues totalling $450 million in 1862-1863.

In 1938, after a legal fight between financial powers and the government, $346 were still in circulation, and had the same value as bank money.

Better still, contrary to the bankers' debt money, Lincoln's "greenbacks" did not saddle the United States public debt with one single dollar.

Had this issue come through the ordinary channel of banks, it would have increased the United States public debt from 1863 to 1938 by $10 billion, including compound interest. Were all their money issued by the government in that way, the United States would have no public debt.

The same can be said about Canada. The very existence of a public debt is the evidence of a defective system, of the money being corrupt right from the beginning.

This is why we are clamouring for a monetary reform while it is still time. I am sure that our reform proposals in this field would lead to a restoration of our social economic system and put an end to the jurisdiction conflict in fiscal matters between the federal government and the provinces. And more time could be devoted to other sectors of administration, in the best interests of all Canadians.

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, there are serious discrepancies between the bill presently before us and the bill on the same topic introduced in the last session. That, I think, was Bill C-264, and it died when the session ended. In that bill, the government committed itself to increasing the benefits on May 1, 1972. Every week from the moment that bill was introduced in September of last year, until the end of the session, members of the House asked the government to bring that legislation forward. I am thinking particularly of my colleague from Humber-St. George's-St. Barbe (Mr. Marshall) in this regard. On behalf of our party, he put forward a number of suggestions to the Minister of National Health and Welfare (Mr. Munro) that this bill be brought forward so that parliament could deal with it, since there was a general disposition in the House to pass it. Certainly, every member of this House was in favour of that legislation. Why the government did not proceed with the bill remains one of the great mysteries of this parliament.

[Mr. Lambert (Bellechasse).]

The government has introduced a similar legislative proposal designated as Bill C-170 in the present session. There are a number of departures from provisions contained in the old bill, of which the most serious is the one to which I am about to allude. Under the bill now before the House, the government has discretionary power as to when the provisions of the bill regarding the payment of the new benefits will be implemented. Frankly, I am not happy about this, because I do not trust the government. I have already said that I do not see why provisions such as those this bill contains could not now be in force. The government has no legitimate excuse for not bringing them forward. There is no reason why families in Canada, especially the lower income families, should not now be enjoying the benefits of this bill. Consequently, I fail to understand why the government has refused to commit itself to a target date for implementation, as it did in the bill introduced in the previous session.

The government wants to leave the door open, so that proclamation of this legislation, once it has been passed by parliament, can be kept in abeyance until the election is called. Then, payments could be made to families in Canada a few days before the next federal election. I consider that to be the real motive behind that particular change in the bill, and it is regrettable. I feel that the needed benefits under this legislation should now be going to families in Canada, many of which desperately need these increased benefits.

In September, 1958, the Economic Council of Canada reported:

> Poverty in Canada is real. Its numbers are not in the thousands, but the millions. There is more of it than our society can tolerate, more than our economy can afford, and far more than existing measures and efforts can cope with.

I have just read an excerpt from the Economic Council's report on poverty, published in 1968. Obviously, the poverty problem was too large and, indeed, too painful to ignore. On May 21, 1968, in Stratford, Ontario, the Prime Minister (Mr. Trudeau) promised during the election campaign that new financial plans he would make would be directed at the poor. It is interesting to note that, as a first step in fulfilling this promise, the government directed the Deputy Minister of National Health and Welfare to undertake a review of existing social policies. His report was accompanied by a series of recommendations, but unfortunately that report was never made public.

By November 30, 1970, two and a half years after the election, the government introduced a white paper on income security. It contained three main proposals, the first of which recommended a doubling of family allowances for all families with incomes of less than $4,500. Those with incomes between $4,500 and $10,000 would receive allowances on a sliding scale. Families with incomes over $10,000 would receive nothing.

On the basis of Bill C-264 introduced in the previous session, that being a bill similar to Bill C-170, I sent out a circular to constituents of mine living in the rural parts of my district. I asked them to tell me by return mail the number of children they had and the size of their existing family allowance cheques. I said I would calculate for them, on the basis of the bill then before us, how much they could each expect to receive in new benefits if and when parliament passed that legislation. About 90 per cent of the people who responded to my survey qualified for maximum benefits, because their income level kept them below the requirements set out in the bill. Of the 10 per cent who could not expect to receive maximum benefits, payments, in the majority of cases, would be cut by only $3 or $5; that is, if you were over the income ceiling, benefits would be reduced by 33 cents for each $100 of income over that ceiling. Thus, since the incomes of those people perhaps were $1,000 or $2,000 over the income ceiling, benefits would be reduced by, say, between $3 and $5 per month.

However, Mr. Speaker, the point is that only a handful of people were to be cut off completely because their incomes were so high. A very small percentage, as I say, were to be cut off completely because their income level was so high that they could not expect to receive benefits. This group formed a very, very small percentage of the whole. I admit that Newfoundland is probably unique in this respect. We have large families. Statistically, I think, the largest families in the country are to be found in Newfoundland. Probably, the percentage of our population under 16 years of age is the largest in the country. I think one can include Quebec in these figures, although I am not sure. So, most families with large numbers of children could expect to benefit from this legislation and receive substantially increased payments. Also, Mr. Speaker, the increased payments would represent a substantial supplemental source of income for many of these people. Many of these families, largely because of their size and often because the breadwinner has been unemployed, unfortunately have had to depend on welfare payments made under the Canada Assistance Plan. As I say, these increased benefits would represent to them an important supplemental source of income. For them, Mr. Speaker, this legislation is an absolute necessity.

Although there have been some improvements in legislative proposals, the government seems to have dragged its feet on major recommendations. In replying to the white paper, the National Council on Welfare said that the government still has not shown a social philosophy which is directed towards ending poverty in Canada. I submit that comment for the consideration of the minister, in order that the government can develop that philosophy, can develop an over-all plan to do something about the serious matter of poverty in this country.

Although the Economic Council of Canada issued its report on poverty almost four years ago, the family income security plan which was drafted late in 1970 and was to revise the Family Allowances Act, is still being changed at this late date. I do not doubt that by the time we get to the committee stage with this bill, there will be further changes in the form of government amendments. That seems to be the pattern this government has followed with legislation introduced in this House. No attempt has been made to sort out the problems that will develop under the family income security plan as a result of certain provisions of the Canada Assistance plan. I am not at all satisfied with the minister's references to this aspect. They were far too limited, bearing in mind the scope of the problems that could develop.

Under the Canada Assistance Plan, and the minister knows this, the provinces are entitled to lower their rates of welfare assistance to families. They can lower these rates in proportion to the higher family allowance payments that will be made under this program. There is a great danger of that happening. The minister has not been able to satisfy the House that the provinces will not indeed be tempted to do just that.

• (1530)

It is rather interesting to note that the Canada Assistance Plan, which is one of the main social programs of the government, has been the subject of study for some considerable time. The provinces have made a number of representations to the government at federal-provincial conferences. Indeed, a number of representations have been made to the government in this House, asking for changes in the Canada Assistance Plan. For some strange reason, the government seems loathe to do so. One can only conclude that the government lacks an over-all social philosophy, an over-all sense of direction as to exactly where we are going with regard to the problem of poverty which we have in this land of plenty.

According to the Economic Council of Canada, there are five million Canadians whom they have designated as living below the poverty line. In this regard, it is rather interesting to note that large families constitute the majority of the poor in this country. Of those who are designated as poor, 23.3 per cent have families with four or more children under 16 years of age. That group represents by far the largest portion of those who qualify as being poor under the definition of the Economic Council of Canada in the province of Newfoundland.

Another aspect that concerns me, and this was alluded to by my colleague, the hon. member for Simcoe North (Mr. Rynard), is the eroding effect of inflation on the social welfare payments. People on fixed incomes, people who depend to a disproportionate extent on family allowances and that kind of social assistance as a very important part of their income, suffer most from the erosion of the dollar by inflation. These are the people who really have to suffer from the consequences of inflation. It is interesting to note that since the initial dollar amounts for family allowances were set in 1945, when the average weekly wage in Canada was about $32.50, the average weekly industrial wage has increased more than four times that level. In 1970, the average weekly wage in Canada was $132.72. However, in contrast to this more than 300 per cent increase, the average family allowance per child has only gone up by 15 per cent since 1945.

Therefore, simply to restore the original relative relationship of family allowances to wages, the proposed maximum FISP payments should be even larger than the $180 a year now proposed for ages 0-11 and the $240 a year proposed for ages 12-17. Rather, it appears that the maximum annual FISP amounts needed to restore the shrinkage over the years in the relative size of these baby bonus payments would be at least $257 and $334. In each case, the proposed FISP maximum payment amounts are less than 75 per cent of these updated amounts. As a result, far from representing an advance and breaking new ground, the Family Income Security Plan will merely restore part of what has been lost because of inflation and even then, because of the selectivity in the scheme that will cut off families in higher income brackets, only some will be able to regain the lost ground.

There is another way of viewing the erosion of the family allowance dollar since the 1945 inception of the plan, and that is to look at the effect of inflation on the family allowance dollar from that date. Between July, 1945 and September, 1971, when Bill C-264 was introduced into the House of Commons, the Consumer Price Index had more than doubled, reaching 230.7. If the amount of the baby bonus cheques had kept pace with this rise, the payment for a child, for example age 11, would have risen from $7 a month in July 1945 to $16.15 a month in September, 1971. Instead, a child aged 11 will be receiving, if and when Bill C-170 in its present form and with the same payment schedule is finally passed, a maximum of $15 a month, and most children aged 11 will be receiving much less or nothing at all.

I would like to get back to the relationship of this bill to the Canada Assistance Plan. I do not think enough has been said about that. The Canada Assistance Plan contains provisions that, unless remedial action is taken before FISP is enacted, could undermine completely the objective of the bill before the House. The only way we can be reassured in this regard is for the minister to undertake to negotiate with the provinces to obtain an agreement with them that there will be no reduction in welfare assistance. The problem in a nutshell, as I already said, is that under the Canada Assistance Plan, the provinces are entitled to lower their rates of welfare assistance to families in proportion to the higher family allowance payments these families will be receiving under this proposed legislation. There is nothing in the present plan to stop them from doing that.

Under the present Canada Assistance Plan, many provinces find it an increasing burden to meet their commitments. In my own province of Newfoundland, the 50 per cent portion of welfare payments which the province must pay represents a very disproportionate part of our budget. My province finds it very difficult to continue to assume this burden. We must bear in mind that we have the highest rate of unemployment in the country. This is a direct consequence of the federal government's failure to implement proper policies to combat inflation and to implement proper policies to combat regional disparity. It is because of the shortcomings of federal policies in this regard that Newfoundland has a higher rate of unemployment than any other province in Canada and, consequently, we have a much larger proportion of our population on welfare than any other province.

Under Section 2(b)(iii) of the Canada Assistance Plan, there is a provision that the provinces, in determining the degree of need and arrangements for social assistance to applicants for welfare, shall take into account all income maintenance payments through unemployment insurance, old age pension security, Canada Pension Plan and Guaranteed Income Supplement schemes. However, it is optional for the provinces to take into account family allowance and other schemes; this is a decision for each individual province to make. Because of the exceptionally high welfare payments that many provinces are forced to make because of unprecedented high unemployment, we

wonder how many provinces will be tempted to take advantage of that provision which exists in the Canada Assistance Plan. Apparently none of the provinces now include family allowance payments in calculating income for purposes of assistance. However, it is possible and, indeed, highly probable, that after the family income security plan becomes law, and higher benefits are paid to larger families, several of the provinces will do just that: they will include family income security payments as part of a welfare applicant's income and will reduce social assistance payments correspondingly. This is especially likely to happen in the case of the poorer provinces.

• (1540)

Not only does the new family income security plan fail, in my opinion, to close the gap between the buying power of the allowance in 1945 as compared with the present buying power of the family allowance cheque, but in future the gap may become even greater in the absence from the plan of an automatic escalation clause in accordance with which payments would increase as inflation takes effect in the future. Although the present bill, unlike its predecessor, contains a clause providing for an increase in benefit levels and payments as the cost of living increases, the procedure is not automatic. I believe it should be. After all, we do not know who will be minister when the present minister leaves office.

A matter of this kind should not be left to the discretion of any minister. After all, regardless of the extent to which these men may be socially committed or how conscious they may be of the need, they will still have to persuade their colleagues in the cabinet of the necessity for granting increases. I feel, therefore, that the bill should contain a clause making the escalations mandatory. The lack of an automatic escalator clause in the present legislation means that neither benefit levels nor benefit payments take into account the eroding effect which inflation will exert in the future. Only a few days ago the Chairman of the Prices and Incomes Commission stated that inflation was still a very serious problem. And inflation will continue to be a serious problem. Consequently, we feel it is unforgivable on the part of the government to fail to take this fact of life into account when drafting legislation designed to end poverty and make it easier for families on low incomes to live.

Since 1961, personal income per capita has almost doubled, rising from $1,613 to $3,092 a year. This does not mean that fewer people are living in poverty. Inflation has considerably eroded the buying power of the dollar in the last ten years. Though personal incomes have risen, cut-off lines for both maximum and partial family income benefit payments are stationary. If personal incomes double again in the course of the next ten years, increasing numbers of people will find themselves disqualified in respect of FISP payments, their incomes having risen above the stationary cut-off lines. Yet many of these people may still be defined by Statistics Canada or the Economic Council of Canada as living below the poverty line.

I do not object to the ending of the universality aspect of the plan. Until Canada reaches the stage at which we are prepared to co-ordinate all the social welfare activities of our various governments in the field of family allowances, old age pensions, blind persons pensions, veterans pensions and so on, and put some order into the chaos which presently exists by agreeing to some kind of guaranteed income arrangement, or negative income tax, if that is more acceptable, I have no quarrel with the government's proposal to end the universal application of family allowance payments. I say this because there are families in this country which do not need these family allowance payments, while there are other families who desperately need an improvement in their position, and I have in mind the majority of the poorer families.

It is interesting to note that two of the ten provinces already operate their own supplemental family allowance programs. I presume that negotiations have taken place in this connection between the federal government and the government of Quebec. I believe the minister referred to this. But I wonder whether discussions have taken place with the government of Newfoundland with respect to the supplemental program operated by that province. It is understandable, and in many instances necessary, that provinces should supplement federal social welfare programs, thereby exercising their constitutional option in this field. Since 1966, Newfoundland has provided a benefit amounting to $15 per year per child attending schools other than trade schools or universities. In 1967, the Quebec government also established a provincial program to supplement family allowances in respect of all children below the age of 16.

In conclusion, I trust that when he replies to questions during the clause by clause study of the bill at the committee stage the minister will reassure us on these points. I trust he will tell us, for example, that he has received commitments from the provinces that they will not exercise their option under the Canada Assistance Plan to reduce welfare payments proportionate to the increase which may be provided under this program. I hope he will be able to tell us, also, that the plan will not interfere with existing provincial programs such as those in effect in Newfoundland and Quebec, or with programs which may be contemplated by other provinces. Finally, I hope that the minister, who I believe to be personally committed to this principle, will be able to tell us in general terms when we may expect to see all the social welfare programs in Canada co-ordinated to the point at which we shall be able to take that final step which I believe to be so necessary, that is, to bring in some form of guaranteed income. In my opinion, this is the only way in which we can end poverty in this country.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, we cannot vote against this legislation, but I must say we shall not vote for it with the degree of enthusiasm we should like to show in connection with a program which purports to provide an increased measure of family security for children in this country.

It is a little like your feeling toward a leaky umbrella in a heavy rainstorm. You have to use it because it is the only protection available, but you sure wish you had an umbrella without holes, one which would really do the job.

Mr. Alexander: A great statement. I will remember that.

Mrs. MacInnis: In our view this is a very shabby substitute for an adequate system of social security, and before I finish I hope to explore a few of the holes through which I believe the rain is bound to enter.

• (1550)

The hon. member who preceded me, the hon. member for St. John's East (Mr. McGrath), said that he did not object to the doing away with the universality feature, because until such time as we could have a co-ordinated guaranteed income system we would probably have to put up with the selectivity system. I would point out to him that this bill is a retreat from the principle of universality that we have been moving toward over the years. It is a retreat from the concept of a Canadianism that could stretch from coast to coast and embrace every citizen, without regard to race, class, place or creed. Under this concept of universality, which up to a certain point in Canadian history we had been achieving, people pay taxes according to ability to pay. This is measured by their income. Universal benefits they receive without distinction. These benefits are then taxed back according to ability to pay of the recipient, as I say, measured by their income. It is simple, it is uncomplicated, it is fair and it works.

I remember that the old age pension legislation began in a restrictive way. Originally, the pension was $20 a month payable at age 70, and there was a means test. This test is now politely dignified by use of the term "selectivity". Over the years pensions were made universal, and this was finally achieved in 1951. Indeed, this universality was gradually broadened, as we know, to include people within a lower age bracket, until finally those who were 65 received the pension. Then began the restrictions which I will come to in a moment.

What this universal pension meant in terms of freedom, independence and human dignity was wonderful to behold. Prior to the universal old age pension, prior to even the partial pension, our elderly people during the years which preceded the great depression were forced to go to court to prove their children were not able to support them before they were given any public funds at all. Many of our elderly people were mortified at doing this. They were ashamed and hurt that they had to take their children to court and rob those children's families in order to get funds so they could receive support, if the court so ordered.

Finally, as a civilized country, we got to the stage of saying that this must not be; that the people who had built this country had a right to be independent, free, to have their dignity preserved and protected by a pension of their own. Then, later on we introduced family allowances. We went to the other end of the age scale and said that young children have a right to be independent and to be helped financially in the same way; that their parents have the right to bring them up properly and preserve their health, wellbeing and dignity. Thus, we instituted the family allowance program, children's allowances, on a universal basis.

Over the years there has been practically no case of cheating or dishonesty. I know this is a fact, because each year we question the officials before the health and welfare committee and this is what they tell us. While this method of universal family allowances provided a measure of security for our children, it also provided for their mothers a recognition of the value of the service they gave. I shall come back to that a little later.

It now seems that this government is determined to turn universal legislation into class legislation. I know the government dignifies it with the term "selectivity", but selectivity requires a means test. It means that people will be degraded and demeaned, that they will be marked with a stigma just as horrible as the stigma that marks those who have to live in the high rise ghettos built for people on low incomes, ghettos in which it is so terrible for families to live. The government uses honeyed words to disguise the sharp sting of means test legislation.

Mr. Munro: It is not a means test, it is an income test.

Mrs. MacInnis: This is means test legislation and no amount of beautiful English prose will ever disguise that fact from those of us who know what the universal application of legislation really means. Selectivity, means test—

Mr. Munro: It is an income test.

Mrs. MacInnis: Let me give the minister another term. It is discrimination in the award of benefits to people. If you want real selectivity, Mr. Speaker, let me tell you what kind of selectivity would be quite acceptable to those of us who want a universal pension. It would be the kind of selectivity that the Canadian Council on Social Development has been talking about. I refer to tax selectivity, to the idea of taxing people, as I say, according to their means, their ability to pay in the first place. It is paying pensions on a universal basis and taxing them back again according to the income of the recipient.

Mr. Munro: Taking it all back.

Mrs. MacInnis: Yes, taking it all back when a person's income is that high.

Mr. Munro: Then, what is the difference?

Mrs. MacInnis: I will get to the difference in a minute, Mr. Minister. I am glad the minister has mentioned that point because I might have overlooked it, though I do not think I would. Nevertheless, I am grateful the minister is so considerate.

Tax selectivity was used during the first few years of the family allowance plan. The allowance was taxed back according to a person's ability to pay. My authority for this statement lies with people who at that time were bringing up families. I have never understood why, from the standpoint of sanity, efficiency and sound administration, it was ever found necessary to depart from that simple and just way of doing things. This is what the Canadian Council on Social Development meant when it referred to selectivity and universality. It meant universality of payment and selectivity of taxation.

Mr. Munro: What a farce!

Mrs. MacInnis: Mr. Speaker, please do not let the minister tempt me. If he does I shall have to give him another wedge of quotations from the Canadian Council on Social Development, and I do not want to have to do that because I am sure he knows those quotations as well as I. If he did not he would not have paraphrased them the other day and thus avoided some rather awkward quotations. The minister knows the Canadian Council on Social Development wants universality of payment without discrimination, without a means test, and it wants selectivity of taxation according to a person's ability to pay.

I see the minister shaking his head so I cannot avoid quoting the council. They state:

> Family allowances should be universal, paid to all families with dependent children as a social right thus avoiding divisiveness among families and any element of stigma. The present program has this feature but FISP would eliminate it.

Let me tell the minister that I am not paraphrasing but quoting directly. The government will not accept this principle. If you would like to know why, Mr. Speaker, all you need do is take a look at the tax bill, Bill C-169, which we dealt with recently. It provided a few dollars for the poor, many for the wealthy and a bonanza for certain forms of corporate wealth—oil, gas, and similar companies. In other words, in the tax system there is anything but equality and fairness. We had the Carter Report which recommended that people be taxed strictly on the amount of income they have. This very elaborate and comprehensive report was shoved into a filing cabinet early in the game. This is obvious because Bill C-169 does not tax on the basis of ability to pay. Even before the introduction of Bill C-169, this government was taxing not on the ability to pay but heavily in respect of those people who could least afford to pay and who were the most defenseless. The government has now found it necessary to take the steps it has taken toward scrapping universality in social security schemes.

• (1600)

The government's first retreat from universality was in respect of old age pension legislation. It divided old age pensioners of this country into two categories, the poor and the destitute. The government said to the poor it would allow a 42 cent increase in pension bringing it up to $80 per month, and it would remain at this figure in perpetuity or for as long as the Liberal government was in power. I hope the two will not last for the same length of time. I doubt if they will.

The appeal to destroy federal universality made by the minister over and over again when he spoke the other day is made to the heavily burdened lower and middle income groups, particularly to the one-third middle income taxpayers who are taxed more heavily now than they should be. The middle income third is taxed more heavily because this government will not tax the upper third the way it should be taxed. Consequently, this middle income group is groaning under its heavy tax burden, but the minister says to them that one place the government can really save is in that area of federal universality in respect of family allowances. He suggests the poor people need these allowances and that is where the money should go. In this way the middle income group will not have to pay as much tax. I think this is the area from which comes the motivation of the government to destroy the universal feature of family allowances.

The minister introduced this bill as a strictly anti-poverty plan. I suggest that this government first impoverishes the people and then stigmatizes them. They will be impoverished because of the tax legislation and then they will be stigmatized. The minister says that the present family allowance figures of $72 to $120 are inadequate. No one quarrels with him in that regard. We all applauded his remarks that these amounts were insufficient to cover the annual cost of maintaining a child. The present figures are insufficient for this purpose as will be the prospective figures, and I will come to that later. The minister really overbid himself when he said that the primary goal of the present program is human development. I do not think this plan will do anything at all in the way of human development. It might help human survival, but that is all it will do. Forcing people with families to squeeze through the eye of the poverty needle is not the way to accomplish human development.

Let me deal with the faults of this legislation as I see them. First, this legislation divides people into categories of poor and indigent. This fault is similar to one in respect of old age pension legislation. It is mean, selective and discriminatory legislation, and we have heard how this works out in respect of those people near the borderline.

Second, it is extremely complex legislation and will be unworkable in many respects. It contains too many sliding scales and other special features which must be taken into account. The number of children, the size of benefits and the amount of income must be taken into account as well as what is and what is not income, and: there is a sliding scale in respect of payment. All these will make the legislation unworkable, as compared to the simple method of handing out universal benefits and taking them back through a nice, clean, computer technique. One can easily imagine the morass of bureaucracy this new measure will create.

Many people will be faced with these terrible and endless mathematical computations involving the number of children and other factors to which I have referred. Perhaps many of them will decide to have fewer children rather than be faced with these calculations. This family allowance legislation is so far removed from a method of adequately increasing benefits to big families that it may have the salutary effect of reducing the number of them. People may decide the calculations with which they are faced are too great in comparison with the benefits they may receive.

Third, just as in old age security pension legislation, there is no escalator clause in this bill. This is serious because the cost of living is going up relentlessly. Every forecast we see from the United States and from this country indicates that the cost of living will continue to move up in this fashion. How does this government justify the lack of an escalator clause in respect of security allowances with the lack of such a provision in this legislation?

Fourth, we must also consider the administrative cost of this program. The hon. member for Simcoe North (Mr. Rynard) estimated that this measure would require administratively 1,500 new public servants and would cost

in the neighbourhood of $12 million per year. I heard no denial from the minister who was here in the House when that statement was made. Nor did I hear a denial when the member said he calculated that under this type of program a recipient would receive about 9 cents of every dollar put aside for benefits. Great administrative armies are wonderful from the point of view of those armies, but they are pretty awful for the civilian population dependent upon these activities. This increased administrative cost will open the way for more red tape such as we have experienced in respect of other recent programs.

Fifth, let me refer to the impact of this legislation on those one million mothers who will not receive family allowances. Some 30.1 per cent of our mothers will be above the allowable level for the purpose of family allowance benefits. One might suggest they do not need these allowances. Let me point out that for many years all mothers in this country have been accustomed to these allowances. Many of them are in the low income groups and have had to use these allowances for urgent things such as food, clothing and rent. A great many mothers in the low and middle income groups have, by sacrifice, set aside the whole or a part of the family allowance cheque to pay for the educating of their children. Many women higher up on the income scale have set aside every family allowance cheque for the purpose of educating their children. For far too many women of either the high or low income group, the family allowance cheque has been the only source of ready cash which they could call their own.

• (1610)

This government has, through a very shortsighted, penny-pinching piece of legislation, swept these benefits from not only families in this country but from millions of mothers who have been setting aside these allowance cheques for various worthy purposes. This government has managed to alienate a good many sections of the population by its policy over the last few years, namely, the wheat farmers in the west, the fishermen down in the Maritimes, and quite a number of other people. I did not know that the government was quite prepared to adopt such a measure cutting off a million mothers across this country, but evidently that is what they are doing.

In case you might say that I am just making a plea for the one million mothers who are in the higher income brackets, let me say that I will also urge you to look at the low-income mother who has to work outside her home, either because she is the single support of her family or because her husband does not earn enough money by himself to be able to provide for that family. Let us consider a mother getting $4,500 or a little more which qualifies her for family allowance. In order to go out to work she must hire babysitters. At $15 a week, which is certainly what she will have to pay to get most babysitters, she will be paying $780 a year. The most she can possibly get in family allowance for a child under 12 is $180 a year. What is this measure doing for the working woman who must work outside the home and hire babysitting services?

I am pointing this out to indicate that this measure is no great bonanza. By penalizing one million mothers in the upper income bracket in order to be able to get enough money for the other children, the primary goal of human development will not be achieved. That may be the goal, but the minister will shoot so wide off the mark that he will forget where the target was. The minister may say that under Bill C-169 there is some provision for women who may get only partial family allowances for their children, but I want to point out that under the child care allowance provisions many women will be excluded from obtaining the deduction. I know that a woman in the $4,500 bracket who pays less than $500 in income tax does not qualify for a child care allowance deduction. When I was in Halifax about ten days ago a man with a family on a very low subsistence wage told me that he does not qualify for the $500 child care allowance deduction because he does not have enough income. So no one can tell me that the child care provisions in the Income Tax Act will partially make up to those families who do not receive the whole family allowance.

Let us consider a woman who is doing babysitting. Suppose she is married and suppose she earns $800 a year by babysitting. She must now declare her earnings and her husband must deduct her earnings from his exemption of $1,350 a year. On an average income that means that the babysitter's family unit will lose at least $137.50 cash on the husband's income tax return. So, the sitter assumes constant care and responsibility for a child for approximately 2400 working hours a year and earns, after her husband's taxes are deducted, only $600 instead of $800. Therefore, she receives exactly 24 cents an hour for her work. So, please do not tell me that the child care provisions will make up to those families who are unable to qualify for the family allowance.

I think this is a pretty poor deal all around. It is a hodgepodge, it is a bureaucratic jungle, it is a tangle of red tape, compared with what could be done if only this government would look at the economics of taxing people according to the amount of income they have, giving them universal, non-discriminatory family allowances and then taxing their income to the extent of taking back the whole family allowance and more if they do not need it.

The minister asks what the difference is. There may not be any difference to the minister, but let me tell him that there is a world of difference to the people who are on the receiving end because they would know that they are getting a non-discriminatory, fair amount and that they are paying for it. What they should pay is what their income indicates they must pay, and nothing more. We would not be going in for these unnecessary civil servants, the unnecessary paper work, the unnecessary computation and calculation and all the other things which only result in disguising the truth of the matter which is that this government is using measures of taxation which shield the wealthy. Then, they try to sell the poorer people on a scheme which does not protect them in anything like the measure to which they are entitled and which the wealth of this country, properly taxed, could give them.

In the Speech from the Throne which opened this session of parliament on February 17, the government included the following sentence:

> In a period dominated by bigness, in an increasingly impersonal social system, one of the major challenges facing government is to remove the impression of isolation which so often surrounds men and women, depriving them of their sense of worth, of accom-

plishment, of fulfilment, and removing from them their identity as individuals.

In thinking of those one million Canadian mothers who will be excluded and those millions of mothers on very low income who are forced to go out to work and to hire babysitters, which costs so much more than the family allowance will give them, one is compelled to wonder why this government was finally driven to take this step of alienating all these women and at the same time destroying the universal character of family allowances. I hope that when this measure goes into committee and when we have a chance to look at it closely clause by clause, the minister may yet see what he is doing to the fabric of Canadian life; how this measure will downgrade and give lower priority to the job of homemaking and motherhood which we have been trying to raise in the eyes of the Canadian people. For years a small badge of status has been accorded to women in this country for bringing up their families, and a certain amount of help has been given them through family allowances. This has meant a great deal to women in all groups and in all income classes across this country. Let me beg the minister not to destroy the unity and good will of those mothers, but to use the opportunity and the second chance that he will get in the committee to make yet another modification in the family allowance legislation to bring it into line with the kind of family allowance legislation that is wanted by the Canadian Labour Congress, the National Council of Welfare, the Canadian Council on Social Development, and all the fathers and mothers across the country. Let us make this our greatest effort and experience in human growth and development.

• (1620)

Mr. Raymond Rock (Lachine): Mr. Speaker, I should like to say a few words about Bill C-170. May I first say I have always believed that any effort made to raise the income of the lower income group should be supported. I have also always believed that, so far as income is concerned, the goal of the individual is to reach higher. I have also believed that when increasing the income of the lower income group we should not do so by forcing a reduction in the income of those in the higher income group. I do not believe in a system where the have-nots take away from the haves until all are have-nots.

There are two areas of concern in Bill C-170. The first is the lack of an automatic cost of living escalator clause. The discretionary cost of living clause provided in the bill is inadequate, and inferior to an automatic escalator clause because it does not take into account the automatic erosion effect that inflation will have in the future. Inflation has always meant steady erosion in the buying power of the family allowance dollar and the pension dollar.

My second concern is the sliding scale by which the cut-off point is established at over $10,000. This calculation includes the husband's and wife's gross income, no matter what their expenses total. Working wives welcomed the latest tax reform legislation which provided compensation through deductions for day-care costs for their children. The new Unemployment Insurance Act provides for maternity benefits to be paid to women while they are away from work having their children. These two reforms provided an incentive to women to remain on the job.

FISP takes a negative approach by penalizing working wives since the cut-off levels are based on gross family income. If a wife decides to work in order to supplement her husband's salary and help meet payments on their home, furniture, car, etc., it is more than likely that she will push the total family income above the cut-off level and forfeit part or all of her family allowance. Cut-off levels should be based on net income after deductions rather than on gross income, and the number of children in the family. I, personally, know people in the over $10,000 a year bracket who, because of their position, own a home and a car, and who must meet heavy mortgage payments and municipal taxes. After all their deductions and monthly payments, they are left in poverty so far as food and clothing are concerned.

What about a family with three to six or more children whose gross income is a little over $10,000? Surely these matters should be taken into consideration. The cut-off point should depend on how many people in a family have to work to earn the gross income. If a man is making $6,300, his wife makes over $3,800, and they have three children, they will lose an amount of $406 a year. This is actually a loss of income. It is a penalty. A couple with six children will lose $800 of income from both the federal and provincial governments. It is a penalty for those who try to reach a higher standard.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we have before us a bill whose principle is good. It is imperative to talk about increasing family allowances. Such an objective should have been dealt with quite sooner. Legislation providing for the payment of benefits in respect of children, Mr. Speaker, is evidently fine in principle.

I must however point out, as did other hon. members, its deficiencies: First, it is not sufficient enough since—and it must be admitted—benefits for children are increased to $15 and $20. This would add a bit to the extremely low amounts which families have been entitled to for many years, but it stills falls far short. There could be a comparison, for instance, with what a welfare service awards for the care of fosterchild.

Mr. Speaker, under the present welfare system in Quebec, approximately $40 to $50 per month are allocated for the care of a child under 6 years of age. At age 16 and 17, the amount awarded is $95 to $100 per month. Such provincial welfare legislation makes it possible for a woman—taking care of three or four children, for instance, who are not hers—to receive welfare benefits which really assist in the care of those dependent children.

But the defect in the system, and the proof of inadequacy of amounts granted under Bill C-170, is that families are faced with the following dilemma: a mother of three or four children whose income is inadequate, whether she is a widow or separated or her husband has disappeared for some reason or other, will receive from the welfare service only a pension of $150, $160, at the very most $200, which is already inadequate. She will receive family allowances of $15 or $20, as the case may be, under this

bill. On the other hand, if this mother were callous enough to abandon her children, whoever would be entrusted with their care would receive $50, $60 and up to $100 per month per child.

Mr. Speaker, one thing is sure and certain: if the mother were allowed to keep her own children, with a guarantee of adequate payments, there would no longer be the problem of this considerable number of children who now have to be placed in so-called foster homes.

It is ridiculous. I assure you that many mothers come to us as representatives of the people, telling us of their problems, saying: I should like to arrange to get rid of my children. I shall arrange with my cousin, my sister-in-law, my in-laws, to have them care for my children.

However mother-love still exists, Mr. Speaker, and the mother wants to keep in touch with her children. However, when it becomes financially impossible she sometimes has to consider such drastic solutions as parting with them, or at least pretending to do so as sometimes it is possible to place the children with the grandmother or grandfather and thus still maintain contact with them. But in such cases, the welfare service will move heaven and earth to oppose such a plan.

If there were an adequate children's allowance plan, such problems would be eliminated automatically, since mothers, parents with children they are unable to maintain decently because of an inadequate income would receive adequate allowances. This is why I find the principle is a good one but the amounts involved are inadequate.

Second, when one looks at this bill, as the hon. member for Vancouver-Kingsway (Mrs. MacInnis) put it so will, one finds it is all tangled up. I cannot get over how impossible it is to implement a bill such as this one without running continuously into problems begging description. One will understand that it is difficult to calculate income when because of the present economic instability the figures can change every week. One does not know exactly when a company will close down, thus creating unemployment. One does not know exactly when he will be a victim of the bad economic system, and even the position of those who presently have very adequate incomes is uncertain. Just imagine, Mr. Speaker, the kind of trouble that can flow from the implementation of a bill such as the one before us.

I think universality always has this extraordinary advantage of guaranteeing a certain form of justice to all people. It will be said that it costs more, that it would be better to give more to those who need it and not to give to those who do not need it. Yes, Mr. Speaker, but there is an easy way to turn the difficulty. For example, why not make the benefits taxable? This way if we make those benefits taxable those who have incomes of $15,000, $20,000, $25,000 or $50,000 would have to add as income the amount of the benefits received in respect of their children and thus they would be simply paying back to the government those amounts which they received. As these amounts would be reimbursed, we could then increase them adequately and give the amount which is really needed rather than, once more, a kind of pittance, a small gratification on the eve of an election.

I think this impossible control, due to such legislation, should make us think. The minister should propose radical amendments in order to make this bill far more acceptable, especially if a distinction is going to be made to the effect that above a given income level, you do not need family allowances any more.

By making a distinction like this one, Mr. Speaker, what do we encourage? Once again, we encourage laziness, to a certain extent. In fact, we already face the problem of a certain class of people on welfare who, out of habit, and because of a wrong concept of our social legislation, would rather not work, not use their energy, not serve society, because it is easier to just sit back with your arms folded and your feet up on a case of beer and wait for time to go by.

Mr. Speaker, everybody deplores this system which results in the fact that in some municipalities, 30, 40, 50, or even 60 per cent of the people are on welfare. This is just encouraging laziness. I am not saying that those people are to blame; the system is.

• (1630)

When the government brings in a bill providing that from a certain level of income, the taxpayer is not entitled to family allowances, it is penalizing a worker whose energy and talents are normally used to increase the productivity of the country. The hard-working people are penalized, because they are resourceful, because they work, because they succeed with the wholesome ambition of receiving an adequate income.

This is another reason why the selective aspect of that plan is unacceptable.

I think that disregarding that indescribable chaos and impossible control, the government was concerned about one thing only—and that is regrettable—namely, the fact that it could tell the people that, from then on, family allowances would be $15 for children up to 12, and $20 up to 18. It seems that the purpose was, once more, window dressing, that is an increase which doubles or triples family allowances. This will look good but, in fact, what major change does this bring? We are still wondering.

Finally, in the analysis that I tried to make about this legislation, Mr. Speaker, the fact remains that I am very reluctant to accept it because of the constitutional difficulties arising from it.

Mr. Speaker, obviously, we will not be against the fact that amounts of money will be made available to Canadian families, but this will not keep me from stressing the extreme shortcomings of this bill. Why? Because this bill deals with a matter which, by virtue of the constitution and even plain common sense, should be totally controlled by the provinces. Mr. Speaker, family allowances were not instituted because during the war Quebec had a very weak government, and thanks to some special acts, the federal government could take over various provincial prerogatives. It took advantage of the situation to gain a foothold in a field which does not belong to it.

And why does it not? I said a while ago that it is a question of plain common sense. And why? Because, in a country as vast as Canada, although basic difficulties may

be the same, there may be as many ways of understanding them as there are regions.

It may be that in British Columbia people see social matters differently from the people in Quebec. That principle must be protected, Mr. Speaker. To my mind, we meddle again and increase constitutional difficulties every time we are asked to study a bill that trespasses on ground that should fall totally within provincial administration.

Recently we were informed about a so-called agreement between the federal government and the provincial government, based exclusively on correspondence between the two prime ministers. I wonder to what extent this might be the confirmation of the wishes of most Quebecers. However I wish to stress that this confirms an infringement that has already been made and which is extended by the application of this bill. That is in my opinion a very unfortunate situation.

They will say: That is once more a very particular opinion which does not reflect reality. But I would like to prove it by reading an editorial from the newspaper *La Presse* of Thursday, March 16, and I quote:

The former deputy minister for intergovernmental affairs in Quebec—

That is a man who has served under three different regimes in Quebec and who must know quite a bit about such things.

This is an agreement between the prime minister and a provincial premier and not between two governments. Here is what Mr. Morin has to say:

—if the "administrative compromise" proposed by Ottawa were accepted by Quebec and then sanctioned in constitutional legislation, the Province of Quebec would then formally recognize a right to which the federal government is not entitled in the field of allowances. Mr. Morin even voiced the opinion that mere agreement from the premier of Quebec to Ottawa's proposal would be sufficient, in the absence of constitutional legislation, to establish a precedent.

According to Mr. Morin, when all is said, there is more cause for concern than for celebration at the moment if the recent federal proposal is looked at closely. There is a danger that this proposal could annihilate all progress made by Quebec in the constitutional field and postpone for ever the basis of Quebec's claims, which is a true sharing of powers.

Mr. Speaker, this is what Quebec wants: an adequate and fair sharing of taxation powers. That is what Quebec wants. As for us, we advocate decentralization in that area so that each region of this country may be allowed to administer itself better.

How can the Minister of National Health and Welfare know here in Ottawa the particular problems of each province? If too much money is accumulated and if it is then necessary to infringe upon provincial jurisdiction to re-allocate the surplus, there is only one thing left to do: reduce taxes.

It is a mistake for the federal government to collect too many taxes, and because there is too much money, it is necessary to infringe upon provincial jurisdictions. This is a mistake and it is merely a matter of correcting it.

A short while ago, I was saying that it is very pleasing to exert a small control of sort over what closely affects individuals. That is why we won't drop what we have already taken. Family allowances and old age security pensions should be administered by provinces; otherwise, we do not seem very responsible.

• (1640)

That is why in analyzing this bill, I must describe clearly the situation. As for Canadian taxpayers, no matter where the money comes from, they know that it eventually comes from their purses and therefore, no present is being made to them. So, they are ready to take it, whether it comes from federal, provincial or municipal governments. They are aware that this money belongs to them. Therefore, they will take it.

Taxpayers, of course, either from Quebec, from Manitoba, or from British Columbia, will take this money particularly as it belongs to them.

When I deal with the constitutional point of view, Mr. Speaker, I do not mean that Quebecers would refuse allowances for their children, but that in terms of administration, a mistake has been made and the federal government should have simply granted provinces the necessary fiscal authority to enable them to take these matters into their own hands. Those provinces which refuse are free to do so, but when one realizes that Quebec is ahead of the federal government in this respect, and that the programs are all set up and ready to be implemented were it not for lack of money, then, Mr. Speaker, I think that this question has been given little consideration and that sooner or later, we will regret it since a consensus has emerged to some degree among all Quebecers on this subject; we want constitutional reforms and a real sharing of responsibilities irrespective of the party we represent.

I believe that the bill before us is sanctioning an abnormal situation; there is no reason why an earlier precedent should be maintained. I think that the reform will have to be undertaken sooner or later.

Mr. Speaker, I now conclude my remarks. To round up my statement, I suggest that Canadians, whatever their province of origin, do not regard this as a gift but simply as a redistribution, though inadequate, of money taken from them. Why? Because it does not emanate from where it should. For example, the Quebec government has already established through its Department of Social Affairs, a comprehensive program in the social field. Having established a well coordinated over-all system, it should have material prosperity in order to apply it. This is what is called decentralization, so that each one can provide better administration.

Mr. Speaker, again, if we had a basic financial and economic system governed by logic, common sense and respect for the individual, the human being, such problems would be inexistent. We submit that we should guarantee to each Canadian a minimum income allowing him to live decently. Then, we would no longer need that impossible control over the meager allowances being handed out to families.

[*English*]

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, last week when I was in my constituency, I was surprised to learn from a telephone call made to my office

that the government had decided to re-introduce the family allowances bill, now known as Bill C-170. It was introduced on Friday for second reading. I wonder why. According to my information, the government was not to introduce it in until after the Easter recess. Some of my colleagues who spoke in this debate on Friday seemed to think that it was introduced because of the Newfoundland election. If that is so, Mr. Speaker, the government did a pretty poor job of getting the message across, because, apart from the one telephone call to my office, I did not hear from one Newfoundlander who was aware of the facts. I, therefore, think my colleagues were wrong in assuming that the bill was introduced at this time because of the Newfoundland election. I think the bill was held in abeyance as a political manoeuver, and it was introduced on Friday because a federal election is going to be called right after the Easter recess. I repeat, the bill has been kept in abeyance as a political manoeuver, and has been so treated ever since the white paper on income security was introduced.

• (1650)

When I returned on Saturday, it was obvious from reading the local papers that not much attention was given to the bill. I hope this bill will finally be passed because it will increase the benefits to Canadian children up to and including the age of 17 years. I have tried to be reasonable in making representations to the government. I feel that my criticisms have been reasonable, at least that is my opinion. Also, I do not think I have been reluctant in giving credit to the government when credit was due.

I welcome the reintroduction of the family income security bill. However, I am sure no one in this House will blame me if I am suspicious of the government's intentions this time and about how far we will get with it. Apart from any political motives, I feel very strongly that increases in benefits to children of low income families must be implemented as quickly as possible. I believe this is an important step to ensure the proper growth of our future Canadian citizens and thereby ensure a better Canada. Also, it will help in some measure to alleviate poverty in this country.

Apart from some weaknesses pointed out by my colleagues, this bill is vitally necessary because over the years all governments have failed to provide enough opportunities for Canadians or to provide for the steady development of our human resources over the years, especially our youth. This program is vital because we failed to foresee the needs of the sixties and seventies by providing a well-planned program which would contain incentives to all Canadians, especially those with initiative. In the past we have failed to provide the poverty stricken adults of today with a well-planned program for education, decent health services, recreational services and all those things that were necessary for the development of our youth of yesterday. That is why we have one quarter of our population living below the poverty line today. That is why we have reached the stage in our society where we must deal with crisis after crisis by adopting helter-skelter programs to relieve poverty, sickness, disability, under-nourishment and suffering of so many of our citizens.

The real tragedy has come about because of our failure to recognize our poverty-stricken Canadians as human beings. We have failed to recognize that we are dealing with people. The government is so blinded by technological progress and trying to get answers to the problem of poverty by computers and studies by experts who were never poor that it forgets it should be concerned about people, not punchcards and computers. That is why we have a poverty rate of 25 per cent. One Canadian in four is a member of a family unit with an income that is below the poverty line. That is why 89 per cent of low income families in Canada are headed by persons who have not completed high school. Almost half of these did not complete elementary school. The reason is that governments failed in the past to foresee the need for education.

As a result of the blindness which results from reliance on the advice of sociological experts, the government has pushed citizens out of rural Canada into the cities by false inducements. As a result of this, 55 per cent of the low income families now live in urban areas. There has been a complete lack of concern for humans as a result of our past failures. The Senate committee report on poverty points out that 27 per cent of all heads of low income families are 65 years of age or over. The reason for this is that governments in the past failed to give the senior citizens leadership, opportunity and the basic necessities for life when they were young.

I think it is worthwhile to look at the events leading up to the introduction of Bill C-170 to show the devious strategy of the government in using various social programs for political purposes. The Throne Speech of 1968, the year this government came into power, outlined what the government was going to do for the poor. The Prime Minister (Mr. Trudeau) said that everyone in this country deserved equality of opportunity regardless of where he lived. He also said we must provide a decent livelihood for the poor of this country. The government then produced the famous white paper on income security. Without dealing with the dribbles given to the senior citizens and the war veterans, I want to deal with the section on family income security.

May I call it five o'clock, Mr. Speaker.

[*Translation*]

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

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Manpower—Local Initiatives Program—Suggested ongoing program

to assist people in isolated communities; the hon. member for Assiniboia (Mr. Knight)—Trade—Display of Canadian agricultural products at Peking fair; the hon. member for Egmont (Mr. MacDonald)—Youth—Opportunities for Youth—Request for other programs to alleviate unemployment.

PRIVATE MEMBERS' MOTIONS

TRANSPORT

REQUEST FOR RESCINDING OF ORDER FOR DISCONTINUANCE OF RAIL PASSENGER SERVICE IN NEWFOUNDLAND

Mr. James A. McGrath (St. John's East) moved:

That, in the opinion of this House, the government should consider the advisability of rescinding Order No. R.2673 of July 3, 1968 of the Canadian Transport Commission which gave authority to Canadian National Railways to discontinue rail passenger service in Newfoundland.

He said: Mr. Speaker, it is almost 23 years to the day since Newfoundland became a province of Canada. It was on March 31, 1949, that the terms of Union between Newfoundland and Canada were consummated. During the negotiations leading up to the terms of union, a number of services operated by the then government of Newfoundland were, as a consequence of confederation, to come under the jurisdiction of the government of Canada. Allowance was made for the transfer of these services and utilities.

Included in the transfer was the Newfoundland Railway which was built at the turn of the century by the people of Newfoundland, at great expense and hardship, to open up the country. At that time it was a fully integrated rail service providing freight and passenger service, albeit a narrow gauge service. Term 31 of the Terms of Union between Newfoundland and Canada accordingly made provision for the transfer of these services from the government of Newfoundland to the government of Canada. Term 31 reads as follows:

At the date of Union, or as soon thereafter as practicable, Canada will take over the following services and will as from the date of Union relieve the Province of Newfoundland of the public costs incurred in respect of each service taken over, namely,

It goes on to list the services, the first being the Newfoundland rail service.

• (1700)

On July 3, 1968, the Canadian Transport Commission by its order R.2673 gave authority to the CNR to discontinue rail passenger service in Newfoundland. Since the summer of 1969, Newfoundland has been without rail passenger service, the only province so deprived. As a result, our province is suffering the consequences of a most inadequate system of public transportation. There are those who would argue—I shall not fall into this trap—that a legal case can be made out for asserting that the maintenance of the Newfoundland rail service is a responsibility which the government of Canada assumed in 1949 under the terms of union. It could be said that according to a legal interpretation of term 31, and under the Order in Council which followed, whereby the government of Canada placed the Newfoundland rail service in the hands of the CNR for operation, the government of Canada had assumed an obligation under the constitution to continue operating this service—it was merely a formality for the government to ask its agent, Canadian National, to take on the responsibilities of actual operation.

Much has been said since that order was made on July 3, 1968 by Canadian Transport Commission. I think it bears repetition to say that this order was attained as a result of a series of events which can best be described as acts of collusion between the Canadian National, the Canadian Transport Commission, the Canadian government and the then government of Newfoundland. Canadian National deliberately set out to downgrade the service for whose maintenance they had assumed responsibility in 1949. I can only conclude this was done because the CN did not want to be bothered by having to order the special rolling stock required for a narrow gauge railway, in other words a railway which did not fit into its own system. In any event, they deliberately set out to downgrade the service to the point at which they could appear before the Transport Commission and make application for its discontinuance on the grounds that they were losing almost a million dollars a year. In actual fact, they were only able to show one year in which the operating loss amounted to $900,000. Even this was open to question because of the nature of the railways accounting practices, practices which, as is well known, are difficult to understand.

For example, the total cost of the operations of the stations and the support staff necessary to keep them operating is lumped in with the cost of operating the rail passenger service. In our view, 75 per cent of this cost should have been designated as being the responsibility of the freight service division. In other words, the rail passenger service accounted for only 25 per cent of the $900,000 deficit which the railway was able to show the Commission. At one time the then president of the CNR indicated there was a move on foot to change the railway's long-standing accounting practices. When officials of the company appear before the Transport Committee of this House I shall be interested to learn whether these practices have indeed been changed; they had not been changed up to last year.

Rail passenger service was replaced by a road cruiser service, which is a fancy name for a bus service. It is interesting to note that this bus service, notwithstanding the fact that it enjoys a monopoly in the province, is currently operating at an annual deficit amounting to almost half a million dollars. In my submission, this bus service is operating at a greater loss than the rail passenger service ever did. At best, the bus service is inadequate. There have been a total of 54 accidents to date, I believe. And there have been a number of unrecorded near-misses.

Another important factor to be considered is the considerable personal inconvenience suffered by the travelling public who are obliged to stand, in many cases without shelter, waiting for buses which, generally speaking, have difficulty in maintaining a schedule. Then, there is the

added inconvenience of travelling, often for long distances, in buses specially designed for road conditions in Newfoundland—buses which are, in consequence, narrow to the point at which it is difficult for two people to sit abreast in the seats. Moreover, the service to bus passengers, once they are aboard, is inadequate. People are not properly looked after while en route. Anyone who has experienced the discomfort of travelling from one end of Newfoundland to the other in one of these buses knows whereof I speak. People are often deprived of a meal at meal stops because they have to depend on private entrepreneurs whose services are not geared to providing for a bus load of people at any given hour.

In short, the system is inadequate. This was dramatically brought home during the air traffic controllers strike. While that strike was in progress there was only one way of getting out of Newfoundland. That was by bus. People who were obliged to use that route found out for themselves what an uncomfortable route it was and how great has been their deprivation since the loss of the rail passenger service.

Perhaps at this point I can anticipate the question: why raise this matter again. Well, we have done so because we have now had three years experience with the buses; three years of frustration and discomfort, three years without rail passenger service. We raise it again, too, because of a recent decision by the Transport Commission. The railways applied to the Commission for permission to discontinue the operation of the rail passenger service between Montreal and the maritime provinces. The Commission ruled that the railways should not be permitted to discontinue service, notwithstanding the fact that using outdated and unorthodox accounting procedures they were able to show that the service was operating at an annual deficit of $12 million. As a result of that ruling the railways will now be able to enjoy an additional subsidy, under the Transport Commission's regulations, flowing from the new Transport Act, amounting to 80 per cent of the deficit.

• (1710)

In addition to that, the Canadian Transport Commission asked people to make submissions to the commission on the following points:

1. Routing, including possible combinations of service on CNR and CP Rail lines.

2. Frequency of service on the resulting route or routes, with possible variations in summer and winter schedules.

3. Train departure-arrival times.

4. Connecting services by rail, road, air and water.

5. Methods and costs of providing meals.

6. Methods and costs of providing sleeping car service.

7. Fare levels for coach services.

8. Improved reservation procedures to reduce the "no show" problem.

I ask, why make chalk of one and cheese of the other? Why not do the same in the case of the Newfoundland service, which was costing considerably less than $1 million a year? It has come to my attention that the roadbed in the province of Newfoundland in the last number of years has been allowed to deteriorate to the point where it is now hazardous, and indeed is not efficient enough for passenger traffic. It is rather interesting to note, Mr. Speaker, according to information passed to me by an employee of the railway, that just a few years ago, again as part of the move to downgrade the service before making application to the commission, the operations manager issued instructions that passenger trains were to wait on sidings and give priority to freight trains. This, of course, is unheard of in railway practices, yet it was the case in Newfoundland.

[Mr. McGrath.]

I could go on, Mr. Speaker. Canadian National employees in Newfoundland, who are as disturbed over this as I, have not been loath to come forward with information which we are prepared, indeed want, to document. In this respect my colleagues from Newfoundland and I have written the Canadian Transport Commission asking for permission to appear to argue our case for reconsideration of the decision in light of the decision made by the commission on February 25, 1972 relating to the maritimes passenger service. In our submission we state:

> We submit that the bus service provided by Canadian National as an alternative to the train service does not now, and probably will never, fulfil the needs of the travelling public. Service has been anything but adequate; even more alarming, service is less than safe—as statistics recording the number of accidents will attest.

The submission goes on:

> One of CN's own vice-presidents, J. A. McDonald, has said publicly that "anyone who has experienced the miseries of peak congestion on even the most modern 12-lane super highway will recognize that road transport is incapable of providing adequately for all the needs of the travelling public". In Newfoundland, we have no 12-lane super highway: it is a two-lane, and the miseries and agonies of travelling by bus along the nearly 600 miles can be documented at length.

In our submission of February 15, 1972 we asked for permission to appear before the commission, but so far we have not been favoured with a reply, apart from the regular cursory acknowledgement. We believe that the rail passenger service in Newfoundland must be restored and we feel a case can be made for its restoration.

The present policy of the ministry of transport, which is difficult to determine at times though I suppose we can only be guided by the various speeches and pronouncements of the minister, would seem to indicate that they have a cost recovery philosophy, though this philosophy has not been adopted in the decision regarding the maritimes service. The minister said on February 25, 1971 before the transport committee of this House:

> Where it is possible, it is still the objective of the ministry to provide services on a cost recovery basis to the maximum extent possible.

I submit that even on a cost recovery basis, which is the overriding philosophy of the ministry of transport, it can be argued that the train service is much more economic, aside from the fact that it is much safer and more convenient to operate in Newfoundland than is the bus service.

The minister is not entirely unmindful of the future of rail passenger transport, for in speaking in this House on the CN financing bill, as reported at page 811 of *Hansard*, he said:

> The evidence is growing that the future of rail passenger travel depends to a large extent on new technology. Experience in Canada and in the United States has shown that conventional rail

travel cannot compete with other modes over long distances and through sparsely populated areas. This is why the Ministry of Transport and the CTC, at my direction, have stepped up their research in this important field . . . It is by no means inconceivable that out of this combination of research and testing will come ideas and new designs which will make wholly new and more rapid and comfortable means of rail travel possible in many parts of Canada, including Newfoundland.

The minister knows better than I that you do not need advanced technology to provide an efficient rail passenger service in Newfoundland. All you need is a recognition by the railways of the constitutional right of the government of Canada to provide a rail passenger service in Newfoundland. Some direction from the government of Canada to Canadian National Railways to maintain the roadbed, which has been allowed to deteriorate, and to cut down some of the curves, is required. If this were done, then according to the evidence I have it would be possible for a passenger train to cross Newfoundland just as quickly, and certainly a great deal more safely, than a bus can at the present time, even the CN bus.

So, Mr. Speaker, the matter is a very simple one. Unfortunately, most of the rolling stock has been sold abroad. However, perhaps that is a blessing in disguise anyway because it was old and outdated and should be renewed. If the decision is made to restore the rail passenger service, then obviously new rolling stock will be required. It has been proven that cars operating on the mainland road beds of standard gauge can be carried quite efficiently on the narrow gauge used in Newfoundland. But the roadbed must be properly maintained.

I could go on, as I say, Mr. Speaker, but a number of my colleagues would like to join me in this debate. They feel just as strongly as, and in some cases even more strongly than, I do about this question. Therefore, may I conclude by saying that at the present time one of the radio stations in Newfoundland is operating a network program that has sponsored a petition to be sent to the government of Canada for the restoration of rail passenger service in the province. I am referring to the program "Phone Forum" broadcast from St. John's over radion station VOCM. Within the short time of two weeks the moderator of the program, Mr. Ron Pumphrey, tells me that he has received 12,000 names and expects shortly to see the total reach 25,000 names. When he gets a sufficient number of names, it is his intention to come to Ottawa to present this petition to the government of Canada. I believe that the majority of the people in Newfoundland support our contention that the rail passenger service in Newfoundland should be restored.

• (1720)

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, in rising to participate in this debate this afternoon I have no intention of trying in any way, shape or form to belittle the words of the previous speaker in respect of the discontinuance of railway passenger service in Newfoundland. As a member of the committee which conducted hearings on this matter, I travelled to Newfoundland to study the situation at first hand and I found it very interesting.

Like every member of this House, I come from a part of this country where the evolution of transportation is occurring. This evolution has been occurring literally for years. We have all heard of the golden spike and we all know about the stagecoaches which made their final trips and were abandoned to storage in warehouses. There is a time for change in all types of transportation and we must give this fact serious consideration. Decisions must be made as to the future of various transportation systems. I submit decisions are being made in various parts of Canada in respect of the abandonment of rail service with which I do not agree. If I may digress for a moment, I should like to refer to a dangerous situation in the Fraser Canyon where an attempt is being made to discontinue part of this service. This matter will have to be given serious thought.

In perusing the information and evidence brought before the committee by many people, I found one or two points of particular concern. How many of these statements were made in an emotional vein and how many were made with a desire to keep the Newfoundland railway because of the use being made of it? It seems to me that the people of Newfoundland actually discontinued using the railway quite some time before the Canadian National Railways asked for permission to eliminate this service.

The last full year of rail passenger operation in Newfoundland was 1968, during which the total number of revenue passengers carried was 77,791. In 1969, the new CN road cruiser service was innovated. I agree with my hon. friend that this is perhaps a too fancy name for what is in fact a bus service. I say this because I have used this bus service in Newfoundland. In 1969 this service was implemented and carried 137,169 passengers. This increased in 1970 to 152,000 and in 1971 to 169,600.

There is a great deal of emotion involved in the abandonment of any traditional service. We all know about the old country stores in various areas, and I am not using that as a comparison here but rather as an example of how people cling to traditions because of emotion.

Mr. McGrath: You have no right to make that judgment.

Mr. Pringle: Perhaps we might call this the Canadian emotional railway rather than the Canadian National Railways.

Mr. McGrath: You have no right to make that judgment.

The Acting Speaker (Mr. Boulanger): Perhaps we could have order in the House. An hon. member who has the floor should not be interrupted.

Mr. Pringle: Thank you, Mr. Speaker. The hon. member for St. John's East (Mr. McGrath) stated there was a campaign under way in Newfoundland and that people were signing petitions. The figures he stated were very impressive, but I wonder whether the people who have signed these petitions will guarantee that they will use this service.

Amongst those who are charged with operating the various transportation systems across the country, there exists the saying in respect of these systems that you use them or lose them. I have been involved with aviation, and I know that many of the people who have signed petitions for certain services were not the people who used those services. I have a petition in my file now that I could use

as a case in point. The people who usually sign these petitions are those who want the other people to use the service.

I would be happy to support hon. members from Newfoundland in a request to the CNR to upgrade its road cruiser service. When the railway was constructed there was not a proper highway system. I would support hon. members in their effort to get better buses with better facilities, because I believe this would be more in line with the needs of Newfoundland. Newfoundland could make more use of the roads, both highway and secondary, if they were improved. I hope we can find sufficient moneys to make better roads available. This would improve the transportation services tremendously. Highways are very important to a transportation system which uses the vehicles available today. When considering priorities, I hope we will be more concerned about the construction of better highways and roads.

Let me make one point with reference to the suggestion that the Canadian government somehow failed to fulfil its obligation to Newfoundland because there was some guarantee the Newfoundland railway would continue forever and ever. That is not entirely true. Had the hon. member continued to read Term 31, he would have noted that the operative words are as follows:

—Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Transport, is pleased to order that, effective April 1, 1949, the Newfoundland Railway, including rights-of-way, wharves, dry docks and other real property, rolling stock, equipment, ships and other personal property—the title to which is vested in His Majesty, be and they are hereby entrusted in respect of management and operation thereof to the Company on the terms in the Canadian National Railways Act expressly specified, namely, that such management and operation shall continue during the pleasure of the Governor in Council—

• (1730)

I should like to emphasize the last phrase, "shall continue during the pleasure of the governor in council". I have here a very interesting newspaper article which appeared in the Clarenville, Newfoundland, *Packet*. We are all members of parliament here, and because there is some indication that what I will read has a political tinge I would ask hon. members to take it into consideration. The article reads:

The editor of the Clarenville, Newfoundland, "Packet" says that there are five Newfoundlanders in Ottawa who are going to be pretty red-faced should the Progressive Conservative party win the next federal election.

The five are those remaining of the six Tories this province sent to represent us in Ottawa in the 1968 federal election. Their faces are going to be red because of their present insistence regarding the CN passenger trains in Newfoundland.

Of the five, I always considered John Lundrigan to be the one who could and would be the most positive in his submission to Parliament, but it seems now as though he's been influenced by his four colleagues to get in on the "Newfie Bullet" campaign.

I wonder why our MPs keep on flogging a dead horse.

Mr. McGrath: Mr. Speaker, I rise on a point of order. The House is entitled to receive a submission from the hon. member, but it should be his submission and not that of some editor.

[Mr. Pringle.]

The Acting Speaker (Mr. Boulanger): The hon. member for Fraser Valley East (Mr. Pringle) who is making a quotation should know the rule.

Mr. Pringle: I am quoting from a newspaper, Mr. Speaker, the name of which I gave. This is a very interesting statement although I admit that it may not be in keeping with the hon. member's view. It continues:

The trains are gone and good riddance. This statement should not be taken to mean that I agree with the decision of CN to terminate its rail passenger service in Newfoundland, but the decision has been made and we have not suffered too many ill effects. The roadcruiser system can provide a good service if it can ever get operating properly.

There is a great deal more, but I agree with the hon. member that it is a little too political so I will conclude at this point.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to pay tribute to the mover of this motion, the very eloquent hon. member for St. John's East (Mr. McGrath). He and my colleagues from Newfoundland have been valiant and vigorous opponents of any diminution of transportation facilities in their province and his motion today is just a part of that continuing expression.

As a member from another province I want to lend my support to his advocacy. I come from a province which has also lost its rail passenger service. We do not even have service to the water's edge of the mainland. People who travel by train to P.E.I. now must derail at Amherst, Nova Scotia, and come the rest of the way by bus. If they have luggage that is heavier than they can take by hand, that is too bad. So we know some of the problems. The causeway approaches to the water's edge but not the railway. I think that the expression "use it or lose it" is not a very comprehensive analysis of the transportation situation in Canada. I am convinced that the plethora of abandonments of rail services in this country is an example of outrageous shortsightedness.

Also, I believe that the hon. member who moved this motion is correct, there is the juxtaposition of the developments: one is that the carrier diminishes the service in its quality, frequency and quantity, discourages the use of the common carrier by the citizens, by the potential patrons, and then when statistics build up to indicate that it does not have increasing use, that in fact it has decreasing use, it goes to the CTC and says, "Let us abandon it". This is exactly the problem. It is a built-in development toward extinction. I have here the latest report of the Canadian Transport Commission and it begins with a rationalization of the rail service. The rationalization of the rail service is full-fledged abandonment. On page 4 we read the following:

Up to the end of 1971 the total of such applications was 69—CNR 49, CP Rail 18, Nipissing Central (part of the Ontario Northland) one, Northern Alberta one—

During the year the CNR filed 23 additional applications for the discontinuance of passenger train services and, apart from a few mixed train operations, all of its passenger services now are covered by applications.

This is the situation which we face. Instead of confessing failure, instead of saying, "The service is not being sufficiently used; we will let the rails rust and then we will pull them up and find some other way of doing it," we

should be realizing that the railways in this country do in fact have a future and, at the same time, the imaginative zeal which preceded the first railway age should be re-created and restored at the present time.

I read every day of rails being taken up and I predict that before many of us are dead they will be laying them again because in this mobile, fast moving era—and it will become more mobile and more rapid—the transportation of people and goods by rail is a great boon to our society. We know, Sir, that today we cannot build highways quickly enough. We know that cities all over this land, large, moderate and small, are having great problems with the automobile and with finding space. Many countries in the world, instead of discarding are upgrading their rail service and encouraging people to make use of it. This is the kind of opportunity which should have been given to the people of Newfoundland, to the people of PEI and to the people at any of the extremities of this country.

Another feature for which the railways were famous was that they put the worst equipment in the remote areas of the land. I remember when many years ago the great moguls of the CNR came to Charlottetown and displayed at the Charlottetown railway station a museum car. They were impressed because one of the distinguished ladies of PEI who is in the Senate seemed not to be very excited about this. One of the CNR officials said to her, "You don't seem to be terribly interested, Senator" and she said, "Why should I be excited? The twin of this car is standing over there ready to go to Murray Harbour at two o'clock."

Newfoundland went through the same operation. The railways downgrade the facilities and then wonder why people are not excited and do not in ever increasing numbers make use of the diminished facilities. I think the hon. member is quite right and I do not think any Newfoundland Conservative needs to be red-faced or embarrassed these days.

Some hon. Members: Hear, hear!

Mr. Macquarrie: I say that if we abandon the rail system which this country built at such a cost, it will be a short-sighted policy. We will not be taking a forward step; we will be lacking in imagination and perception because we will need the rails to cope with the overload of other forms of transportation. From all the reports that I hear, and I hear a great many, the substituted service in Newfoundland is not capable of meeting the needs of those people.

I commend the hon. member for what he is doing. I suggest that all of us give thought to reversing the trend which is set out so fully in the Canadian Transport Commission report. What we have now is a sort of last-ditch stand that we hope will hold off this policy for a little while, while there is another line abandoned and then another. This sort of pay-as-you-go policy was such a colossal failure in one government department, the Post Office, that we should not be bemused into thinking that we are being somehow progressive or efficient when it comes to the question of railways. So I salute the hon. member and give him my full support. When the vote comes I will support the motion.

• (1740)

[*Translation*]

Mr. Arthur Portelance (Gamelin): Mr. Speaker, as a member of the Committee on Transport and Communications, I also had the privilege in 1969 to visit the Maritime provinces. During this visit we held hearings in Newfoundland as in the other provinces. The Committee received 105 submissions, of which 79 were heard. During these 15 days spent in the Atlantic region, the committee heard 125 witnesses during its 65 hours of sitting when studying transportation problems in the Maritime provinces.

One of the important submission that was brought to the attention of the committee was presented by the government of the Province of Newfoundland. This submission dealt with six major points. The first was highways; the second, maritime transport; the third, air transport; the fourth, rail transport; the fifth, terminal and storage installations and the sixth, communications.

As far as communications are concerned, as soon as we arrived in Newfoundland and in the towns of Wabush and Labrador City in particular, as a committee member, I saw very well that the main gap that existed here in Canada and particularly for the residents of this remote area, one of the major problems—

[*English*]

The Acting Speaker (Mr. Boulanger): Order. I must ask for order in the House. There are various conversations going on and it is difficult for the Chair to follow the speech that is being made.

[*Translation*]

Mr. Portelance: —one of the major problems, of which the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) is aware, I am sure, which has been brought to the committee's attention, was not so much the problem of the "Newfie Bullet", but rather the lack of communications in the area. There were complaints, particularly, that hockey games were not shown on television, or were shown ten days after they took place. With the new satellite Canada will soon be able to orbit, at least in the course of 1972, those people will see one of the problems eliminated and, like the great majority of Canadians, will have better communications with the rest of the country.

Mr. Speaker, from Labrador we went to St. John's Nova Scotia, going through Gander. At least the committee's visit to St. John's, Newfoundland was also for the purpose of hearing briefs and using the famous "Newfie Bullet". I believe we left towards 11.30 p.m., to reach a municipality not so far from St. John's but I found that the trip took quite some time. It was rather amusing. All those who took part in this historical trip were very kind, particularly the people from Newfoundland. And we had the good fortune to return by bus which is now part of the Newfoundland transport system. I personally was able to see that passengers on this bus have a definitely more comfortable and rapid system than the kind of train we had to use to get there.

I revert to the brief submitted by provincial authorities. It was prepared by the Minister of Highways himself, who insisted particularly on the development of a highway

network in the province. According to him, federal assistance to Newfoundland authorities was more urgent for highways than for railways. With regard to highways, shipping and air transportation, the minister stated the following in his brief:

It seems that the development of highways throughout the province will not require new services nor the extension of present C.N.R. lines. Further efforts should be made to improve storage and container facilities, in order to reduce freight rates through this new dependable method.

After an in-depth survey was made among the main users of railway transport, and because of the importance of subventions in respect of Maritime freight rates for the survival of their commercial operation, the minister recommended that in the case of the province of Newfoundland there be no provision for the establishment of an extra-regional subvention, but that the present intra-regional subvention be maintained not only in respect of railway dispatch, but also for all other means of transportation.

You will note here, Mr. Speaker, that no mention whatsoever was made of passenger service in Newfoundland—and this, at the request of government authorities in that province.

On February 21, 1969, during our visit there, the St. John's *Evening Telegram* reported as follows:

[*English*]

Mr. McGrath: You just lost 33 seats, and you will lose all your seats down there next time.

Mr. Portelance: I am just quoting.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Boulanger): I wish, again, that hon. members on both sides of the House would allow the Chair to follow the speech of the hon. member.

Some hon. Members: Hear, hear!

Mr. McGrath: It is pretty hard to restrain oneself when listening to this.

Mr. Portelance: We will wait and see what happens at the next election.

[*Translation*]

Mr. Speaker, the important points are mentioned—

Mr. Speaker, after quoting from the newspaper the government's recommendations, there is one paragraph in particular which I would like to put on the record:

[*English*]

The government didn't take a stand on the CNR's move to replace passenger trains with its trans-island bus service. It expressed the belief that with the extension of highways in Newfoundland there would be no need for CN to expand its lines, and that the railway should concentrate on moving and warehousing of freight in an effort to lower transportation costs on goods.

[*Translation*]

Even government authorities do not see the necessity for this. And I believe that the committee recommended that subsidies for road construction apply to the province of Newfoundland and that the transport commission had no other alternative but to provide the most efficient service to passengers from Newfoundland.

I think also that the hon. member for Fraser Valley East (Mr. Pringle) has mentioned figures showing that several passengers were already using the bus, rather than the train, contrary to what took place in the past. In fact, as far as I am concerned, the train has indeed been superseded by the bus.

• (1750)

[*English*]

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, in just about three minutes I should like to say it is a pleasure for me, on behalf of the New Democratic Party, to support the motion brought in by the hon. member for St. John's East (Mr. McGrath). I also was in Newfoundland when the transportation committee visited various parts of the province and heard briefs presented to the committee.

I suggest, Mr. Speaker, that because we have in this country the wherewithal and knowledge with which to build large, supersonic planes, because we can build huge airports, because we can spend millions of dollars of public money to build a transportation system which should include a railway system, we should not be trying to apologize to people in certain parts of the country for not being able to provide transportation by rail.

We know very well that millions of dollars are being spent on everything except rail transportation. We know very well that the Canadian Transport Commission is preoccupied with one thing only, and that is the elimination of rail passenger service. The hon. member is to be congratulated for trying to rectify a mistake that was made some time ago when the order to which his motion refers was passed. I am certain that if we were to talk about the rationalization of rail passenger service today we would realize that it is not right to eliminate this service in any province. It should not be necessary for the people of Newfoundland to take the type of abuse they have taken since they entered confederation, as a result of the orders that have been handed down by the Canadian Transport Commission in respect of rail passenger service.

If we are really concerned about having a comprehensive passenger service in Canada which takes in all modes of traffic, we should be looking at the situation in a sane and sensible manner instead of allowing the hodge-podge of rail policy we have seen in the past. In the United States they have what they call "Amtrack". Millions of dollars are being spent there in an endeavour to find a sensible solution to their transportation problems. Perhaps in Canada we should have a counterpart of that program; maybe it could be called "Cantrack". We need an organization which would consider the efficient use of every mode of transportation. We have done everything we can. We have listened to advocates of anti-pollution measures who have come before the House and said we should spend millions of dollars in this area. Mr. Speaker, one way in which we could save money is by bringing about an efficient transportation system. This motion should be passed without further debate.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I shall take only about two minutes because of the time factor. First I should like to express my bitter disappointment over the presentation of the hon. member for Fraser Valley East (Mr. Pringle), from British Columbia, and my Quebec friend. They are the first two members of this House of Commons to express the sentiments which we heard today. I wonder how members from Newfoundland would be classified if we had taken this line when the trains were taken off in the Gaspé area. Would we have been classified as anti-French, anti-Quebec, anti-Gaspé? It is a bitter disappointment to members from Newfoundland to hear representatives from Quebec and British Columbia disown their responsibility to Canada's most eastern province.

I am not going to touch upon the constitutionality or the economy involved. I want to make one point only: when our eastern province of Canada entered confederation in 1949 it brought with it hundreds of millions of dollars worth of resources. Some of these resources are being developed, but the vast majority of them, especially the resources of the continental shelf, would have belonged to the country of Newfoundland had we decided not to enter confederation in 1949. But these resources were contributed to Canada, and this area is absolutely vital to the future development of our nation. Our province is one of the last great resource frontiers in the world. We have made a tremendous contribution to Canada even if we have to look ahead, to the long run, to realize its potential.

We have not asked for special status or special consideration but just for some kind of equal status as a member of confederation. What do we get, Mr. Speaker? We see the provinces of New Brunswick and Nova Scotia, quite rightfully, being allowed to retain passenger services at a loss of $15 million a year. The loss on the Newfoundland passenger service is less than $1 million a year, but my hon. friend from Quebec says the trains should have been taken off because they were poor trains. I wonder if they have ever thought of upgrading the system to a standard acceptable to the travelling public? That is what we are asking.

We are not asking to get the "Bullet" back; it has been scrapped and placed in souvenir stores all across Canada. We ask that the federal government give consideration to establishing a passenger train service that would be efficient and comfortable and would give the Newfoundland travelling public, the thousands of people from the mainland and the United States, equal treatment with the rest of Canada.

That is the issue, Mr. Speaker; not whether it was a poor train or a good train, whether it was losing money or whether it has been referred to a couple of times in the "Clownsville Packet" with a circulation of about 273. We consider we have been discriminated against. We see evidence every day in the House of Commons and from the Prime Minister (Mr. Trudeau) that our province, which has half a million people and seven federal representatives, is being discriminated against. Our dissatisfaction will be manifested in a very unpleasant way unless this government starts to respond to our allegiance.

[*Translation*]

Mr. Jacques-L. Trudel (Montréal-Bourassa): Mr. Speaker, it is amazing to realize during a debate how two hon. members can manage within a few minutes to present arguments on two opposite points.

I will merely say a few words because there are only a few seconds left.

The hon. member for St. John's East (Mr. McGrath) talked about security; he criticized our Canadian National Railways by suggesting at one point that the service provided in Newfoundland was not giving security. I even believe that his colleagues from the same area tried to make the same point.

I want to tell him that, before talking about security, if he really wishes to speak exclusively on railways, he should first be aware that recent articles have been published on the security of Canadian railways. Some of his colleagues are against railways because they do not offer adequate security. He suggests that we should establish a transportation service by rail instead of by bus.

When railroads are discussed, I wish mention were made of the various existing lines in Newfoundland. This evening, we heard about the bus service but no mention was made of the railway lines that still serve travellers in Newfoundland.

There is a CN railway service between Badger and Deer Lake. There are lines between Brigus Junction and Carbonear, between St. John's and Argentia, between Clarenville and Bonavista, precisely because those localities have no bus service.

The transport commission decided to tolerate the existence of those lines and give the people who live far from the Trans-Canada Highway the service they expect.

No reference was made either to the expenditures the province and the country would incur for developing the type of service that these people are demanding. Now, when one considers the surveys and refers to—

The Acting Speaker (Mr. Boulanger): Order. The hour appointed for the consideration of private members' business having expired, I do now leave the chair.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time

and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, just before private members' hour at five o'clock I was trying to deal with the events that took place before the introduction of the white paper on social security. I was saying that the government was introducing increased benefits for children all across Canada; the benefits were to be given according to family size and income; they were to be forthcoming in September, 1971, according to statements in the white paper. I must say, with due apologies to the poor people concerned, that the government had no intention of increasing benefits by that date. Its intention in that regard was about as great as the power of the poor people in this country to bring this measure about.

It is obvious now that this move was as calculated as anything could be. Whoever was commissioned to come up with the program should be ashamed of himself as a parent. The cabinet ministers responsible who decided on this strategy should be even more ashamed. I do not blame the Minister of National Health and Welfare (Mr. Munro), Mr. Speaker, because I remember that about a year and a half ago a press release was issued which indicated that six cabinet ministers of this government had refused to go along with the recommendations of the Minister of National Health and Welfare. They cut his proposed budget by some 50 per cent for social security measures. I wonder how their consciences are now—if indeed those ministers have a conscience. Mr. Speaker, was their move not all too obvious when they decided that the proposals in the white paper did not fill the needs of Canadians? And those proposals were brought in as a result of the advice of experts.

Then, Mr. Speaker, we had the Willard report, the report of the deputy minister of national health and welfare. At the same time, a study was undertaken by the Senate Committee on Poverty. It was decided to give Senate committees something to do and that committee was established. It went across the country studying poverty again; not because they were interested in human beings who were suffering in Canada but because it was politically expedient to use tactics to delay bringing in a bill which would increase family allowance benefits.

What happened after that, Mr. Speaker? The government introduced Bill C-264 in the previous session and, according to the government's political strategy, increased benefits under that bill were promised for May 1, 1972. What did the government then do? It shelved the bill during the Christmas recess. At no time during the 16 months since the white paper on income security was introduced has the government been honest with Canadians about progress in the planning of this measure. At that time the bill was known as Bill C-264.

Let us consider the negotiations with Quebec. Repeatedly, vague and conflicting statements have emanated from the office of the Prime Minister (Mr. Trudeau) and the office of the minister responsible for the bill. Now, after a delay of six months in the introduction of the family income security bill—Bill C-264 died after first reading in the previous session—Bill C-170 remains virtually unchanged despite constitutional negotiations. It now appears that there is to be another delay because of the Easter recess which is to come in a couple of days.

[The Acting Speaker (Mr. Boulanger).]

• (2010)

How many times in this House have I asked the minister to bring forward Bill C-264? How many motions brought forward by my colleagues and myself have been refused unanimous consent? How many conflicting stories have been told in this House about negotiations in Quebec? Our party promised many months ago that if the bill were introduced we would ensure passage with the least possible delay. We were finally told that the bill would be introduced in spite of the ongoing negotiations with the province of Quebec. There is a word that we are not supposed to use in this House of Commons. Far be it from me to use it, but someone in the press gallery should examine *Hansard* of the past few months to see the conflict of stories as to what has been uttered by various people.

I repeat, Mr. Speaker, we need this bill in spite of its weaknesses. We need it because of the plight of the youth and our country. It must be passed as quickly as possible. I have not seen a bill introduced by the government and passed in this House which came up to expectations, in spite of the experts who draw up these bills. It is fairly obvious that there are many criticisms of Bill C-170 with regard to costs and inequities of universality and selectivity.

I said previously that I am willing to compromise for the good of the country, as is my party. I refer to the compromises between Quebec and Ottawa as contained in letters sent to the provincial premiers by the Prime Minister. According to the Prime Minister's letters to provincial premiers, the suggested system for family allowances would permit those provinces who wished to do so, to move toward an integrated system within their boundaries while maintaining certain general standards for poorer families. The federal government is willing to extend the principles involved to other income-support programs, and, if desired, a constitutional guarantee of the principles could be attempted in spite of the considerable difficulties that would be involved in making the generalized provisions necessary for a constitutional guarantee in an extremely complicated field.

The hope would be that such an arrangement would clean up the problem of social security to permit further progress in the process of constitutional review. The letters from the Prime Minister stated that the federal government would proceed with Bill C-170 in the current session and, after consultation with the provinces, would recommend to Parliament amendments to the bill at the appropriate stage.

Without going into the various inequities pointed out by experts on social legislation, the main failure of Bill C-170 is the lack of integration with other federal programs which are closely associated. An editorial in the *Financial Times* pointed out that the new family allowance legislation emphasises that the Minister of National Health and Welfare obviously never discusses anything with the Minister of Manpower and Immigration (Mr. Mackasey) or the Minister of Finance (Mr. Turner) to co-ordinate programs for the benefit of Canadians. For example, the adminis-

tration of the Family Income Security Plan is quite unrelated to the administration of other schemes such as unemployment insurance and income tax.

The Family Income Security Plan requires a new set of forms to be submitted to a special branch of the bureaucracy. Recent legislative changes have increased, but not consolidated the red tape and bureaucracy of income tax, unemployment insurance and now FISP. The principles of FISP are at odds with other social security schemes. For example, the government has opted for universality in medicare and unemployment insurance, but selectivity in FISP. Also, the "reformed" Income Tax Act has established uniform treatment for social benefits, but not FISP which allows tax free income.

Another example is that the Canada Assistance Plan contains a provision that, unless remedial action is taken before FISP is enacted, could undermine the object of the program to fight poverty. The problem is that under the Canada Assistance Plan the provinces are entitled to lower their rates of welfare assistance to families in proportion to the higher family allowance payments these families will be receiving.

Under clause 3(3)(b) there is provision that the provinces in determining the degree of need and arrangements for social assistance to applicants for welfare shall take into account all income maintenance payments through unemployment insurance, the Canada Pension Plan and guaranteed income supplement schemes. However, it is optional for the provinces to take into account family allowance and other schemes: this is a decision for the province to make. At the present time none of the provinces calculate family allowance payments as income for the purposes of social assistance; but it is possible they might, especially the hard pressed, poorer provinces. In all these ways the lack of integration of the FISP plan with other government programs and legislation means that the total package has a haphazard and sometimes contradictory effect.

Before five o'clock I spoke of the various other objectives of the bill. I said that I believed the Family Income Security Plan would provide benefits for the children of Canada up to 17 years of age to develop their education and allow a proper upbringing. The failure of past governments is the reason so many people in this country are today living in poverty.

I therefore urge the government to bring Bill C-170 to a successful conclusion as soon as possible. I hope the government will indicate its sincerity by bringing about increases in family allowance payments without further delay, and that the minister will be equally sincere when dealing with all the clauses in committee and properly amending the inequities that exist so that a meaningful effort can be directed toward improving the situation of our disadvantaged children in order they can be good citizens in the future.

Some hon. Members: Hear, hear!

• (2020)

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, we have already heard several viewpoints on Bill C-170, but it is not possible to examine the bill without considering the actions the right hon. Prime Minister (Mr. Trudeau) agreed to take toward Quebec.

The Prime Minister's proposal means precisely that if a province wishes to initiate its own family or youth allowances program, Ottawa is willing to make the necessary arrangements, and I quote:

> —provision will be made for the federal scheme to be modified by a federal-provincial agreement so that the amount of monthly benefits, the levels of income at which the reduction of full benefits commences and the rates of reduction to be applied will accord with the standards of the provincial scheme. This will mean that the provincial legislation, within the ambit of certain limits related to national standards, will determine the design of the federal program operative in the province.

This provincial legislation will unfortunately be subject to some conditions.

The sharing option will be open to a province where its expenditure, apart from any funds raised by it through tax abatement provisions, is at least 15 per cent of the combined expenditures of the two governments for family allowances.

Bill C-170 provides that allowances paid in respect of youths shall be at the expense of the federal government, but if a province wishes to establish its own plan, like the province of Quebec, it will have to pay at least 15 per cent of all amounts paid as family allowances. This means that the province will have to tax its people by at least 15 per cent more than the other provinces in order to apply its plan under the provisions of Bill C-170.

Table 29 of the federal government's estimates for 1971-72 show that, for the 1971 fiscal year, Ottawa paid some 160 million dollars in family allowances in the province of Quebec.

Finally, Quebec will have to spend at least $25 million more than this amount, tax the residents of the province of Quebec accordingly, if the provisions of this bill are to apply, according to the Prime Minister's letter.

There is also another condition. At present, the province of Quebec gets a tax abatement for the allowances paid to young people of 16 and 17. According to the proposals of the premier of Quebec that abatement will disappear, because, in the letter from the Prime Minister of Canada to Mr. Bourassa, dated March 9, it is stated, and I quote:

> It is proposed that such an option should be open to a province where the provincial expenditures on the allowances, apart from any funds raised by the province through tax abatement provisions, is at least 15 per cent of combined expenditures on family allowances by the two governments.

Mr. Speaker, that letter from the Prime Minister of Canada to Premier Bourassa is quite clear: provinces will have to pay at least 15 per cent of the total amount of the allowances paid by the two governments, and this supplement that Quebec will pay cannot take into account the tax abatements that Quebec gets for the young people of 16 and 17.

True, the implementation of the act will entail an increase of about $150 million in family allowances. Were we to consider the other side of the coin, we could deduce that it is not that bad. However, because the rate of family allowances must be the one which has remained most unchanged in this country, as compared with increases experienced in all other areas, we must admit that if this

bill is worth being enacted, it should be somewhat modified.

For instance, appropriations for family allowances in the 1965-66 budget stood at $601,800,000 while they amount to $618,500,000 in the 1971-72 budget.

For the same year, that is 1965-66, the amount spent by the Canadian government in servicing the debt reached $1,172 million; it will exceed two billion dollars this year. One can say without fear of erring that Canadian families have been sadly neglected.

With insufficient income, Canadians are going deeper into debt. Here is what *La Presse* reported on March 9, 1971, and I quote:

Canadians have sunk deeper into debt with banks, stores and finance companies by almost 5 per cent in 1970, and this increase in consumer credit occurred only during the last six months of the year . . . compared to 1969, when the indebtedness increased by 14 per cent—

Secured personal loans, the most important group of loans, increased from $4.1 to $4.6 billion during the year—

Unsecured personal loans . . . increased from $1 billion to $1.2 billion, while loans on insurance policies increased from $660 million to $745 million.

Therefore, consumer credit totalled approximately $11.3 billion in 1970.

Mr. Speaker, I shall quote from an article in the June 16, 1971, issue of *La Presse*, as follows:

TWENTY-EIGHT PER CENT OF FAMILY BUDGET FOR PAYMENT OF DEBTS

Debt is a rampant social evil in Quebec. It exceeds total government outlays of 4 billion dollars, and solely for consumer goods, according to a statement by Mr. Normand Caron of the Fédération des associations d'économie familiale at the annual meeting of the Association coopérative féminine du Québec.

The disasters, both individual and collective, it brings about are inconceivable, Mr. Caron stressed, claiming that the percentage of the family budget earmarked for payment of debts had increased from 8 per cent in 1955 to 28 per cent in 1969.

According to the lecturer, debts place the individual in a state of insecurity and tension and are often a cause of family disintegration because of conflicts they cause between husband and wife.

Mr. Speaker, insufficient incomes leave us with unsold products which are reflected in bad lodging conditions, poor clothing and many other services, including food consumption.

According to the Tuesday, November 11, 1969 issue of *La Presse*, milk consumption was decreasing in the province of Quebec while the government was penalizing farmers for producing too much.

In fact, at the convention held by the Quebec Industrial Milk Producers Association, National Council of Milk Producers Vice Chairman Jules Lafontaine stated and I quote:

Annual milk consumption in the province of Quebec has decreased by 100 pounds per capita compared with the level of 20 years ago.

In short, while farmers are being compelled by the government to reduce their production, it is being discovered that milk consumption is lower than the minimum suggested by the nutrition guide published by the government.

[Mr. Godin.]

In my opinion, it would be in the interest of some departments to consult more often with one another.

It is obvious that the increase in family allowances is socially desirable. And among the 30 per cent of Canadians who live in poverty, there are many thousands of families with many dependents which deliberately, out of self-respect, have succeeded in living without the support of welfare. It is likely that a good number of those families lack the bare necessities and often have a lower family income than their neighbour who lives on welfare.

An increase in family allowances in my opinion would represent a valuable financial assistance, if I may refer to a newsletter published by the Canadian Imperial Bank of Commerce on the structures and output of the Canadian economy. It can even be asserted that despite the $150 million increase that is provided, Canadian heads of families will not buy more with these extra $150 million than they could buy in 1965.

Indeed, this quite significant table based on the value of the dollar in 1961 indicates that the purchasing power of the Canadian dollar which amounted to 93 cents in 1965 had decreased to 77 cents by 1970.

The consumer price index being set at 100 in 1961, the table shows that it went up to 107 in 1965 and reached 129 in 1970.

This means that in 1965, to purchase one dollar's worth of production, the Canadian dollar was worth 93 cents against only 77 cents in 1970.

As the figures which I have just given you were taken from a table published in 1970, I will quote once again an article which appeared in *La Presse* of May 12, 1971 and which was entitled: "The cost of living in Canada has risen by 33 per cent during a 10-year period." The following can then be read and I quote:

The cost of living for an average Canadian family has risen by about 33 per cent during a 10-year period.

Statistics Canada reports that the retail price index has gone up .7 per cent in April, largely due to raises for housing, clothes and food.

For each $100 spent in 1961 for goods and services, the consumer must now pay $132.20.

• (2030)

Mr. Speaker, these figures show that the Canadian dollar is now worth only 75 cents and that the $150 million suggested by the Minister of National Health and Welfare (Mr. Munro) have no value whatever because of the rise in the cost of living and the dollar devaluation.

Another feature of the bill now before us is the selective system to be established, a system which will compell citizens to watch themselves, to evaluate themselves, and which will invite comparisons. The poor is compared with some one else who has succeeded in getting something. It will also force comparison between those who have attained a certain degree of success and those who have failed. It will provoke jealousy between those who give and those who receive.

Finally, Mr. Speaker, through the enforcement of such legislation, the government is simply going to distribute poverty. It simply wants to take money away from families which have too little as it is.

Thus, since a universal family allowance scheme is essential for maintaining the brotherly feelings within families as well as the community spirit among individuals, it would be in order, I think, to amend the bill now before us. It should be remembered that family allowances are not a salary but a right.

In times past, when production was insufficient because of famine, adverse conditions or floods and hurricanes, people necessarily had to resign themselves to the inevitable. They had to share among themselves since production was insufficient.

Since no one knows at the moment in Canada what to do with production, I am wondering why we are instituting a selective system for compulsory sharing. Production being sufficient, we are at liberty, as members of this House, to ask that our universal family allowance scheme be maintained.

In short, the universal scheme is maintained in respect of pensions paid to senior citizens of 65 and over. Consequently, in order to grant the same advantages to our younger people, it will be necessary that our economic life pattern undergo a transformation such that it will really be tantamount to a social organization. And I think that in order to reach this goal, many prejudices will have to be fought together with a host of selfish attitudes.

To change from the universal regime as we know it, to a selective plan will, I think, require the mobilization of thousands of people and I am convinced that the salaries paid to this new team of investigators will far exceed the total cost of a universal system.

The suggestion that a number of families can manage without family allowances is only valid, as we know, in respect of a minority of them in this country. We are also aware that the government is in a very good position, through its tax system, to fall back on those workers who receive too much. We know that very well.

Considering that we have already proposed in this House, the implementation of a guaranteed income scheme, which is inevitable in the long run, I think we should take the opportunity to implement part of this project. Whatever the salaries earned by parents, the government should normally co-operate with them through universal aid measures that will guarantee the well being of dependent children. I believe that these allowances should be scaled in such a way as to represent a substantial contribution toward the child's care and should also take into account the expenses incurred for older children. It is only necessary that we establish for our younger people a system covering the basic needs of food, clothing and shelter. This minimum is absolutely attainable given the present economic conditions of our country.

Mr. Speaker, if the young of today are tomorrow's generation, they are as much the heirs of those which have preceeded them.

And the answer in respect of the family allowances scheme comes quite simply from the fact that any person is entitled to something, by the mere fact of being born. Since family allowances are not considered as a supplement to the salary or income of the family head, the funds used to pay them should not be levied through a tax on the income of working people.

Family allowances are not earned income but a social measure designed to provide an equitable income for the families of workers and to remedy inequities in the present economic system. Those measures which guarantee social security are born of the commendable desire to relieve economic distress and to acknowledge the right of the children of this country to have their basic needs met.

The newborn child or the child who is growing up do not take part in the production of goods which are given to them freely. However, we acknowledge their right to a share of the riches produced. From the mere fact of being born, they are entitled to satisfaction of their basic needs. And those allowances should come not from the result of the labour of those who work in order to make a living, but only from the social fund built through the social factors of production, through the work of machines, in whose inheritance we all share.

There is more to it than that, Mr. Speaker. Since those social revenues are the result of education, of the centuries old work of machines, and of the development of techniques, there should be no discrimination in the distribution of social production. The right to social products should not be limited to only a few children in the country, because no matter what family they live in they are entitled to the things they need in order to sustain and develop their lives.

In order for the new measure to benefit the whole population, its implementation should be related to the establishment of new credits. We find that the gap between total purchasing power of Canadians and national output is growing wider from day to day.

In 1961, for example, the gross national product was $39 billion while national income stood at $29 billion. In 1971, the GNP was $95 billion while national income barely reached $70 billion. I think this difference of $25 billion is enough for us to suggest the creation of money which could be paid out to all family heads of this country. I think that before telling us it is impossible we could try it for a year. The government is making all kinds of experiments. Recently a hovercraft that will probably never hover was built. Planes that will probably never fly were built and discarded.

So, I think it is within that frame of mind that we should be proceding with this experiment of using new credit. Furthermore, Mr. Speaker, if the government can afford to spend on experiments with doubtful results, surely it could afford to make an experiment which we are convinced will end up benefiting all Canadian families.

[*English*]

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I never thought that I would be standing in my place in defence of something Mackenzie King did, but for once I am going publicly to support a measure brought in by that meandering person whom we had for so many years as prime minister of this country. When he brought into being the family allowance scheme in 1944, he acknowledged the need in our social security system for special recognition that married couples with children face circumstances and requirements which warrant income provision during the time their children are living at home. He was socially sound in his judgment that such

schemes should be brought in on a universal basis. I cannot emphasize too much the significant social relevance of having such schemes on a universal basis.

• (2040)

What is fundamentally involved here apart from the dollar value of the current legislation—I shall come to that in a few moments—is the principle involved in having a piece of government legislation which is doing a complete about-face in terms of its commitment of 1944 on the question of universality in social legislation: its consequences for the future well-being in particular of the category of poor family about which the government proclaims it is most concerned cannot be over-emphasized.

I wish to make three points about this legislation which bear in one way or another directly on this issue. It seems to me that by introducing the discriminatory income position basis of the family into the eligibility criteria for family allowances we are making a great mistake, a decisive about-turn in the history of social legislation in Canada. The first point, which I believe is very important, to be made on this question is that it is a socially divisive act. There can be no doubt that in the future families—I do not say this applies to all families, but to many families in most communities—will regard each other in terms of whether or not they are eligible for family allowance, exactly analogous to the way in which families now regard one another in terms of their eligibility for welfare assistance. That is exactly what the government is doing. It is proposing a measure in terms of social consequences or assistance to the family which puts family allowances on a welfare assistance basis. Some government members may deny this. I see some shaking their heads. That is precisely the consequence of the legislation. The legislation is saying to the people of Canada that if their income position is such and such vis-à-vis the number of children they have, then they may receive the family allowance. It is saying that if they do not meet the criteria, they will not receive it.

Therefore, this legislation is saying that we recognize in the form of our social insurance provisions those who have and those who have not. We are stratifying the population of Canada in terms of this age-old distinction. We are doing it in a way which was not the case under the original family allowance legislation. One of its most significant social graces was the fact that it did not discriminate among Canadians.

Apart from the negative effect this kind of division will have on adults in terms of their perception of themselves and the self-perception of their children, it will involve an act of discrimination on the basis of income between those who will receive it and those who will not. It is this, I predict, which will serve to undermine the future actions of this or any other government in attempts to provide improved benefits which are necessary for the poor in our society.

I want to state as precisely as I can my reason for believing this. I repeat that I regard this question as being of profound importance. If my judgment is right it will have a profound consequence, and if I am wrong it will not. It is a matter of judgment. What we are doing in Canada now is this: we are saying to the working people they are to be divided into categories. I am thinking now on the one hand of reasonably well-off workers, in which category I would place most workers who are organized in the trade union movement as well as a number of others, and on the other the working poor.

In effect, we are saying to those at the upper income level of working people that at some point they will not receive family allowance benefits. We are saying to the organized lumber workers, the packinghouse workers, the steelworkers, the auto workers and reasonably well paid people in offices, as well as elementary and high school teachers in Canada, that they are not to receive family allowances any longer. They will not receive the benefits but will have to pay for those who will. This is the social point.

It seems to me that for the first time in the history of this country, in terms of social legislation, we are about to take a decisive backward step in which people are to be asked to pay increased amounts for benefits for which they will be ineligible although they are benefits which should accrue, and have accrued previously, to all. In future years this will undermine the willingness of this category of worker to continue to pay for benefits which other people will need and will receive. I think that is the important issue here.

Up to the present we have had the support of teachers, fishermen and other organized workers in respect of extensions and improvements in the social insurance system, whether on the basis of old age security or family allowance. We had their support because they would receive benefit. As members of the community, they were being asked to pay for the well being of others and for something from which they also would enjoy some benefit. In the present legislation, by restricting the number of recipient families, however, we have taken a step which will undermine the willingness of a substantial portion of our population to continue to contribute to badly needed improvements in social services for the community.

• (2050)

So the government—I will come to the dollars and cents implications in a minute—in their argument that they are really providing substantial benefits for those with the lowest incomes, those who need it most in terms of the long run, and by long run I mean beginning a year or two from now, are really undermining their own position because they are working against the kind of political support that is needed in any kind of community to sustain social welfare.

Whether it is in a democracy in Canada, the United States or Scandinavia, for the vast majority of the community to support social insurance schemes they themselves must see a direct benefit to themselves. There is nothing selfish in that; it is very much a part of human psychology. You cannot expect a total giving to someone else when you get nothing in return. I think that principle of universal community benefit is in jeopardy here. We are therefore building up a potential political opposition in Canada to continuing improvements in our social insurance schemes.

The second point I should like to make is that in terms of implementing this scheme every family in Canada will

need its own little computer. Every politician in this House of Commons, or the ones who remain after the forthcoming general election, will I predict be confronted by irate citizens who think they are either entitled to receive the family allowance in principle or that they should receive it at a certain higher level. The politicians will be inundated with demands for changes, with demands to remove bureaucratic delays.

I predict that the bureaucratic foul-up that we have seen with the unemployment insurance regulations will seem like a tea party in comparison with what we will see when the family allowance legislation takes effect next fall. To repeat the point, any average citizen who spends most of his time working will need some kind of computer to make sense of the scheme with any degree of rapidity. One of the virtues of good legislation is that it can be readily understood by a non-expert. This is precisely what this legislation fails to achieve.

Mr. Alexander: Wait until we see the regulations.

Mr. Broadbent: I am sure the hon. member is absolutely correct. Both he and I were on the committee that dealt with unemployment insurance and we saw the morass that came from that legislation in terms of its detailed regulations. This government prides itself so often on its business efficiency. The cost argument alone in implementing this piece of legislation should have perhaps been sufficient for not supporting it. It will be a complicated bureaucratic mess.

The third point that I should like to make bears directly on the dollars and cents issue. It is that the legislation introduced by the Minister of National Health and Welfare (Mr. Munro) when considered, as it should be, as part of a total package of the financial measures introduced by this government with the tax bill that we discussed in the House last week, is seen not to benefit the poor in its cumulative effect nearly as much as it benefits the rich. It will be recalled that the minister and other supporters of the family allowance legislation have suggested that they are taking the money back from the rich who really do not need it. They ask us what we who are talking about the need for genuine social improvement are really complaining about. May I remind the House that if we consider the tax legislation that was introduced last week, it is the rich in Canada who are really going to benefit from the acts of this government.

I need not remind hon. members that it is quite plausible for us to expect an election this year. In 1972, what the government is taking away from the rich in the family allowance scheme, it is more than giving back with concessions in income tax. If we add the two together, the tax benefit plus the family allowance benefit, and consider who benefits most from the actions of this government in the past ten days, it will be clearly seen that richer Canadians come out on top.

I have before me a table which compares these benefits for a family with two children. Assuming that the family allowance legislation is passed—as it will be, with a government majority—and comes into effect next September 1, we discover that for 1972 a family with two children whose total income is $3,000 will have a total benefit of $216. We find that a family earning $4,000 will have a benefit of $218.19; a family earning $5,000 will have a benefit of $225.06; a family earning $6,000 will have a benefit of $206.19; a family earning $7,000 will have a benefit of $187.68; a family earning $8,000 will have a benefit of $169.47.

When we go up to a family whose income is $11,000, we begin to see an interesting development, namely, a substantial improvement in the net benefit coming from the government from these two pieces of legislation. We find that a family earning $11,000 will have a net benefit of $155.28; a family earning $12,000 will have a net benefit of $165.03, a family earning $13,000 will have a benefit of $175.02.

Let us consider a family earning $20,000. We find that under the proposed scheme, in family allowance plus tax benefits in terms of the tax reduction that was given by this government in the legislation that we debated last week, the family earning $20,000 will save $260.58; a man earning $25,000 will save $328.83; a man earning $30,000 will save $400,68; a man earning $50,000 will save $716.25; and a man earning $75,000 will save $1,153.14. A man who is eking out an existence and is able to afford only two or three trips round the world, who makes $100,000 a year, due to the generosity of this government which is so overwhelmingly concerned with the problems of the poor will save $1,611.39!

Mr. Knowles (Winnipeg North Centre): The rich get rich and the poor get children.

Mr. Broadbent: The conclusion seems rather obvious. The rich, if we define them for our purposes here as those who are earning $15,000 and more, will get more in net benefits from these two pieces of legislation in 1972 than will the poor—if we define the poor for purposes of our discussion as those earning from $3,000 up to and including $8,000. The other point to be made is that those in the middle-income range, those earning between $10,000 and $15,000, will be gaining less than the poor, which is understandable, and will also be gaining less than the rich, if we define the rich as those earning more than $15,000 a year.

• (2100)

To go back to the point I made very early in my remarks, it is that middle-income category of people who are very important in terms of maintaining their support for significant improvement in social insurance legislation, whether in respect of family allowances or anything else. It is this category of men and women who in the main are working very hard. These are the people earning between $10,000 and $15,000 who will feel the negative effects of this family allowance legislation and who will not benefit to any great degree from tax reductions. Consequently, these people will be increasingly reluctant to support significant improvements in social services proposed by this government by a provincial government or by government at any level.

The government expects to count on this category of income earners for support in the coming election. To be frank, Mr. Speaker, they are the kind of people who tended to support the government in the past. But their support is being whittled away precisely because the gov-

ernment is beginning to exclude them from the benefits that accrue from good social insurance legislation.

I would like to conclude by saying that in spite of the benefits that this legislation will provide for the poor, it completely undermines the universality aspect of social insurance legislation in Canada. It is a retrograde step, the first of its kind in Canadian history in this area, and therefore does not warrant support. Its benefits could be much more effectively provided by significant reform in taxation. I will not take the time of the House to go into this matter; I have spoken on it in the past as have other hon. members of my party. We believe the needs of the poor should be looked after by significant tax reform.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I would like to offer a few suggestions with respect to Bill C-170. Like the hon. member who preceded me, I believe that the government, in not opting to have the family allowance included in an individual's income, has made the administration of the plan much more difficult without really achieving what it set out to do, to provide something of greater value to the low-income family. It has been said many times by many people that the dollar value of a family's income is a poor measurement of how the family is able to live in our society. Nevertheless, I have to accept that the use of the income tax method is the only way in which measurement can be made of a family's income but it is only a rough method of assessing the social standard of living of any family.

For instance, in Manitoba we have always been told by the people who live in the north of the province that they should have an increased income tax exemption because of the increased cost of living in that area. It has often been said that north of 53 degrees in Manitoba each family should have an additional $1,000 a year exemption. When one has personal experience of the area, one must agree that there is much to be said for that point of view.

In a program such as this, Mr. Speaker, where a specific dollar value can be paid to every child or youth through guardians or parents it seems most likely that universality should be inherent in the plan. In order to preserve the idea that low-income families should benefit the most, it seems to me that by adding the family allowance to income and taking the normal percentage of income tax that can be deducted all Canadian citizens should have a better and fairer return with respect to their income. If we decide that further relief should be given to our lower income groups, we could do this by means of a tax cut or by a change in the income tax rate benefiting those at the lower income level who need it most. It seems to me that the method proposed by this bill whereby applications for benefit will have to be filed along with an estimate of family income is an unnecessarily cumbersome method of arriving at the figure that the benefit should be in each case.

The bill provides that families are allowed to file a revised estimate of income at intervals of four months should their financial status change, and benefits would then be adjusted. Initially, families will be allowed to file estimates of income based on last year's earnings or on earnings projected for next year, whichever is most favourable to them. I cannot imagine a more complicated system. In most cases the responsibility will fall, as usual, on the woman of the household to make the application even though she may not always know whether her husband has had an increase or decrease in income.

Then there are families, and here I speak of farmers, whose income is averaged over a five-year period. There are self-employed people whose income may vary from nothing in one year to many thousands of dollars in another. All this will create a great administrative problem and I am afraid will mean considerable variance in the benfits, particularly those paid to people whose incomes fluctuate each year. There is no doubt that widespread administrative inequities will occur under this complicated system. It seems logical that had the universality of the program been continued, with the benefit added to family income, the money could have been just as effectively used to aid low-income groups and could have been just as effectively distributed to those who need it most.

In my opinion, Mr. Speaker, if we give the basic old age pension to every citizen who reaches a certain age, we should also give a basic income to all our new citizens who have not yet entered the economy. I believe this bill is unnecessarily complicated and will require frequent amendment. It leaves itself open to administrative problems and considerable inequities in the calculation of payment of benefits. As has been outlined by other hon. members, when the regulations are introduced they will further increase the problems of members of parliament trying to resolve the difficulties connected with this program.

I would like to speak for a moment on the value of programs such as this in respect of the alleviation of poverty. It seems to me that when a program such as this is introduced there is an immediate benefit in redistributing income but as time passes this benefit decreases. It seems to be decreased because segments of society, high wage earners and entrepreneurs, those who are the bellwethers of society, are in a position to demand and receive higher incomes so that their take-home pay remains at a level comparable to what it was before the advent of the program. In other words, our economic system and tax structure seem to adjust themselves so that the members of our society who lose money in taxation to provide these benefits are able to recoup their losses by means of wage settlements and imposing higher prices for goods. Perhaps this is part of the general inflationary trend.

• (2110)

Perhaps for these reason it is generally considered that family allowance plans have had no great value in fighting poverty. Often these plans have to be analysed to see how they fit in with the original program. The data as to the effect of family allowances on combating poverty seems to be equivocal and can be construed in many different ways. While the poor pay relatively little in direct income tax to our treasury, in the form of indirect taxes a major burden is imposed on the poor.

The Croll report, the report of the Senate Committee on Poverty, cited figures from 1961 to show that 56.5 per cent of the income of those earning less than $2,000, before transfer payments, goes in taxes and of this 56.5 per cent

only slightly more than 1 per cent is taken directly in individual income tax. The dilemma of increasing income tax is that eventually, unless some money is left to the individual taxpayer, he presumably will not be a member of the labour force or productive in any manner other than through dollar value. Fighting poverty with the family allowance probably is not as rewarding as people would wish.

Mr. Speaker, I should not end these comments without a few words on what is being discussed the world over, and that is the mood that is prevalent, namely, that if man is to stay on this planet we may have to approach a zero population growth. The comment of the President of the United States last week regarding population growth has given events a new turn. The comment urged the United States to welcome a plan for stabilized population. On March 13, 1972, an article in the *Globe and Mail* commented:

> A government-appointed panel Saturday proposed that the United States try to halt the rise in population and "enable individuals to avoid unwanted childbearing".
>
> "We have looked for, an have not found any convincing economic argument for continued national population growth," John D. Rockefeller, chairman of the commission on population growth and the American future, said.
>
> Mr. Rockefeller told a press conference he believed the United States would be the first country to adopt a population policy aimed at ending growth, if it accepted the panel's proposals.
>
> The panel said that even if the birthrate maintained its downward trend to the point where married couples had an average of only two children, the U.S. population would continue to grow for nearly 70 years. This is because so many now are of child-producing age.

There has been considerable discussion as to whether the family allowance program increases the tendency to larger populations. It has been considered, and studies have shown conclusively, that family allowances are not an incentive to an increasing birthrate. But at an international conference on children's allowances in 1968 the participants gave evidence that there is no direct relation between the existence or characteristics of a children's allowance system and the birthrate. This is perhaps, in the over-all view, quite right, but in the lower income segments of some groups there has been in the past a tendency to increase the family income by prolific birthrate. However, once these groups attain their material desires there seems to be a tendency for a fall-off in the birthrate.

There are those who advocate reduced payments to larger families as a disincentive to a high birthrate. This is not generally accepted yet, but I think that at some time in the future, and not too far away, more thought will be given to it. In any case, the role of the family allowance as a stimulus to the birthrate does not seem to be very strong.

In this legislation the government has departed from universality. It has increased the problems of administration and cost and will create many social inequities that could have been avoided merely by adding the income from family supplement to family income and taxing it at the usual rate.

Mr. Lincoln M. Alexander (Hamilton West): Thank you, Mr. Speaker, for recognizing me. For a moment I thought I was not to have the opportunity of participating in the discussion on this significant piece of legislation. I see the Minister of Justice (Mr. Lang) is in his place on the other side of the chamber. I did not hear what he said, but I am sure it was worth while. He can be a nice fellow at times, but I wonder what he thinks of this bill.

Mr. Speaker, I wonder what happened to the participatory democracy that this government was supposed to bring forth and which would give Canadians an opportunity to put before this House of Commons their ideas on where our country should go in terms of social welfare policy? I am very disturbed to find that there is a trend—

An hon. Member: A pernicious trend.

Mr. Alexander: —a pernicious trend that seems to be projected by this government. We had a white paper on the tax bill. Thank goodness that was referred to the Standing Committee on Finance, Trade and Economic Affairs so that we had an opportunity of ascertaining the direction we should take with respect to tax reform. Many worth-while suggestions came from that committee and as a result we have a better—although imperfect, if you will, Mr. Speaker—bill. We on this side of the House would never say it is perfect, but many of the inequities that were pointed out by members of the opposition made it possible for the bill to become more acceptable.

On November 30, 1970, the Minister of National Health and Welfare (Mr. Munro) issued his white paper on income security for Canadians. I was under the impression, as were many hon. members, that this document would be placed before the Standing Committee on Health, Welfare and Social Affairs following the pattern that had been decided upon by this government, thereby giving the many Canadians involved an opportunity for their voices to be heard. But this did not happen, Mr. Speaker.

In answer to a question which I posed this afternoon, the Prime Minister (Mr. Trudeau), the great exponent of the just society and participatory democracy, indicated that with respect to the proposed airport in the township of Pickering he, in a unilateral way and under the British North America Act, had come upon a solution. As far as he was concerned, if 51 per cent of the people affected—I do not know how he could ever determine that—did not want the airport, there would not be one. I am not questioning whether there is going to be an airport. I am trying to point out that there is a fraudulent aspect to this government's conception of participatory democracy.

• (2120)

Mr. Olson: Not at all.

Mr. Alexander: The Minister of Agriculture (Mr. Olson) can say all he wants. I know that the statement was made without any agreement, consultation or negotiation with the province of Ontario.

Mr. Olson: That is not right; we have been discussing it with the province of Ontario for months.

Mr. Alexander: Mr. Speaker, I do not know if the Minister of Agriculture was here this afternoon.

Mr. Olson: Yes, I was.

Mr. Alexander: Then he should know that the Prime Minister indicated to me in no uncertain terms that there was no discussion with the province of Ontario or members of that government from the time the Minister of Transport (Mr. Jamieson) made the statement in the House until he made the statement about 51 per cent. The Prime Minister did it on his own, unilaterally. That is wrong. That is not participatory democracy. And that is what is being done with this income security bill. I say it is discouraging, because we were promised the just society.

Mr. Olson: And you have it.

Mr. Alexander: The Minister of Agriculture says we have it.

Mr. Olson: I do.

Some hon. Members: Oh, oh!

Mr. Alexander: Well, Mr. Speaker, I have heard that the Minister of Agriculture will have a tough time getting elected.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Alexander: And I say that with great respect.

Mr. Olson: I always did find it hard getting elected.

Mr. Alexander: Well, it will be even tougher this time.

Mr. Olson: Five out of six elections; that is the record.

Mr. Alexander: The government claims this is a significant piece of legislation. If it does not give people the opportunity to bring forward ideas, suggestions and reasonable amendments which will make the bill more satisfactory, I say the whole thing is a fraud.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, it is a fraud and we on this side will tell that to the Canadian people.

Mr. Olson: The hon. member is still wrong.

Mr. Alexander: Speaking of universality, I can recall—

An hon. Member: This is the second lousy speech I have heard tonight.

Some hon. Members: Oh, oh!

Mr. Alexander: I heard the hon. member for Sarnia say that this is the second lousy speech he has heard this evening. I can say one thing: at least I can raise my voice and tell the House how fraudulent is this bill, unlike the hon. member who behind the curtains makes irresponsible remarks about a responsible speech being made by an hon. member.

Mr. Thomas (Moncton): Now he is making faces.

Mr. Alexander: Before the hon. member for Sarnia, that some time parliamentary secretary, interjected I was about to talk of the principle of universality. The former minister of labour told me that with the new Unemployment Insurance Act which came into effect on June 30 we were to move into the area of universality. That is the principle we were adopting. I ask, why could we not include the self-employed man and the franchisee? In that way we could cover 95 per cent of our people and establish the principle of universality in this area.

What has the minister piloting this bill through the House done? He says that there is not to be universality with regard to this program. Frankly, I do not know whether one minister talks to another or whether they all go to the same cabinet meetings. Here we have a retrograde step, a step that moves back from the position originally adopted. Here we have legislation that is to be based on income and the number of children in a family.

Mr. Olson: You are pretty mixed up, Linc.

Mr. Alexander: No. This legislation will remove over 1.5 million families from the family allowance rolls.

An hon. Member: Shame!

Mr. Alexander: I know that for more than a million families there will be significant changes in benefits.

Mr. Breau: You are the party of the rich.

Mr. Alexander: The party of the rich!

Mr. Thomas (Moncton): That is what he said.

Mr. Alexander: The hon. member is trying to read my speech. I want to tell him something about the middle-income man, the man who has been paying the shot. That is the point I am coming to.

An hon. Member: Make a speech that makes sense.

Mr. Alexander: I am about to get to the point. What disturbs me, Mr. Speaker, is that at the bottom end of the scale about a million families will be affected, perhaps significantly, by this bill; yet all the indicators show that this legislation will not relieve the poverty of our brothers and sisters in this country. That is the most significant thing about it. I believe this government is trying to do its best.

Mr. Olson: Hear, hear!

Mr. Alexander: Its best, however, is not good enough. The real challenge is providing greater opportunities for more Canadians so that with their skills, knowledge and willingness to work they can take advantage of policies that will bring about greater economic growth.

Mr. Olson: Hear, hear!

Mr. Alexander: I notice that the Minister of Agriculture agrees with me. Those policies in turn should lead to full employment. The Economic Council of Canada suggests that an unemployment rate of 3.8 per cent constitutes full employment. Certainly an unemployment rate of 7.7 per cent does not. If we are to bring about significant changes that will benefit all Canadians, we shall need to evolve an industrial strategy, an industrial policy.

Mr. Breau: Ha!

Mr. Alexander: I do not know the hon. member over in the wilderness. He does not speak in the House; he does not ask questions.

Mr. Benjamin: Who is he?

Mr. Alexander: I don't know. He is an non-entity.

Mr. Thomas (Moncton): A nobody.

Mr. Alexander: He just sits there and makes comments. I notice the Minister of Justice laughing. The government brings in all sorts of ad hoc programs. It is departing from the principle of providing justice for all Canadian families. We are no longer in the same ball game because the government is removing one and a half million Canadians from the rolls. We need to establish an industrial strategy built up through negotiation and consultation with the provinces and with management and labour. In that way we may devise a policy which would bring Canada and Canadians to the horizon, if you will, of full economic growth, or greater economic growth, which would lead to greater productivity and more employment and programs such as the one we are considering will be at a minimum—

Mr. Breau: Ha! Your party is for the rich.

Mr. Alexander: My friend in the corner, over in the wilderness, suggests I am speaking on behalf of the rich. No, I am not speaking on behalf of the rich; I do not care about the rich. They can look after themselves. I care about the poor. I come from a poor family. I know what poverty is all about. At the same time, Mr. Speaker, I am concerned about a man who has not been referred to so far in this House, or if he has been referred to the reference has been made—

Mr. Thomas (Moncton): With a sneer?

Mr. Alexander: No, not with a sneer. The reference has been made in an entirely acceptable way. I am talking about the middle-income man, the man making $10,000, $12,000 or $14,000 a year. Who speaks for him?

Mr. Breau: The Liberal party.

Mr. Alexander: The Liberal party?

Some hon. Members: Oh, oh!

Mr. Alexander: The Liberal party: did you hear that? After supporting the white paper on tax reform and the bill which followed the white paper, the hon. member supports the bill now before us and says that he speaks for the man in the middle, the middle-income man. I say you are wrong, Sir.

Mr. Breau: No, right.

Mr. Alexander: The hon. member is wrong. You do not have any compassion for what that man has gone through and is continuing to go through under this government.

Some hon. Members: Hear, hear!

Mr. Breau: Mr. Speaker—

Mr. Alexander: Mr. Speaker, I do not have time for questions now. You can ask them when I have finished.

Mr. Speaker: Order, please. The hon. member should address the Chair.

Mr. Alexander: Yes, Mr. Speaker. I was saying that someone has to speak for the middle-income man who, it seems to me, is being ignored. He is the only one who sees himself. The hon. member for Oshawa-Whitby (Mr. Broadbent) dwelt on this question. It is time we started to give the man in this group some incentives, not disincentives. It seems that every piece of legislation is directed toward him adversely. I wonder how many lumps he can stand. Hon. members know what the Prime Minister said with regard to lumps: he said if they don't like it, they can lump it.

• (2130)

Mr. Olson: When did he say that?

Mr. Alexander: I hear the Minister of Agriculture. The Prime Minister said it and he meant it. Hopefully, a lot of people will take him at his word and let him know how many lumps they can stand. All I ask is how many lumps the middle man can stand. His land taxes are going up; he is paying a greater chunk as a result of the white paper on tax reform; he is being emasculated in terms of whatever contribution he receives from this government.

As far as I am concerned, one and a half million people will not be covered by this plan. If this is the type of just society we have to live in, it is not fair. A man is prepared to stand up and be his brother's keeper, but there always comes a time when he has to think about himself and his family. He will find that the government does not have a heart, compassion or the understanding that he who pays the shot must be recognized at some time. If the government does not get that message I have no hesitation or reservation in stating that the polls will let them know how many lumps these people can take.

Some hon. Members: Hear, hear!

Mr. Alexander: Another thing that bothers me about this act is its complexity. I would not even attempt to explain to anyone in this House how an individual will get his money or how much he will get. If you think the Unemployment Insurance Act was beyond immediate comprehension, wait until you get into this act! What concerns me about this bill, and I say this with a great deal of respect, is that it is being directed toward people who perhaps are not adequately prepared to complete the forms that are necessary for this measure to come to fruition.

Are we building up a bureaucratic society second to none? It is amazing. Do you know how much we now spend? We spend $16 billion a year. Without having looked into this too deeply, I say that a lot of it goes into unnecessary bureaucratic administration. This comes through acts which are imperfect and complicated such as the Unemployment Insurance Act and this one.

Mr. Olson: You sound like an old Tory.

Mr. Alexander: Whose voice was that? Was it the member for Windsor. There is one thing about him, his voice is loud; it carries.

I get back to my point. There is something about this bill which disturbs me. We who are involved with the standing committee will have to look into this matter very profoundly, because mistakes have been made in the Opportunities for Youth program and LIP. I am not going to talk about the merits of those programs; that can be done at another time. I am talking about the forms that will have to be completed in order to be able to take advantage of this program. My experience leads me to believe that they will follow the same pattern as forms for the Opportunities for Youth and LIP. There will be a lot of frustrated people whom we should be helping. I do not know where the forms will come from; perhaps the regulations. In order for people to be in a position to take advantage of this scheme we must ensure that the forms are as simple as possible. The type of person who will be taking advantage of this program does not have the capacity to complete complicated forms.

I have looked at some of the forms required under the Unemployment Insurance Act. I do not claim to be very clever, but with my training I should have a sufficient awareness of how to fill out forms. With all respect, I find them highly complex. As a matter of fact, they are so complex it will lead people to frustration and lateness in filing. They are embarrassed because they do not know how to complete the forms. If they do complete them, they are wrong. Even though the government has an idea, I hope the forms they bring out will be understandable, concise and relatively easy to complete. In this way we will be helping people, not throwing forms at them which they cannot understand.

I want to move into other areas. I read an editorial in the September 20, 1971, edition of the *Financial Times* with regard to the proposed new legislation. I quote:

> The new legislation on family allowances which Mr. John Munro presented to Parliament last week is a dreadful example of the incoherent muddling which is emerging as the hallmark of the Trudeau government.

Those are not my words. I am not trying to be nasty; I am just trying to agree. I am reading into the record—

Mr. Nowlan: Isn't that the Prime Minister's authority?

Mr. Alexander: Perhaps you are right. I quote further:

> There is little evidence there that Mr. Munro discusses anything with Mr. Mackasey or that either of them speaks to Mr. Benson. If any ministers are in communication with God, that remains a private matter: obviously they do not get the same answers.

I notice that the hon. member for Windsor laughs. This is true: the truth of this criticism can be proven in several ways. I will go through them; I will touch upon them in a significant way. I want to be concrete and concise. The principles of FISP are at odds with other social security schemes. The government has opted for universality in medicare and unemployment insurance, but selectivity in FISP. Also, the "reformed" Income Tax Act has established uniform treatment for social benefits except for FISP, which gives tax-free income.

I will touch on administration. The administration of FISP is quite unrelated to the administration of other schemes such as unemployment insurance and income tax. FISP requires a brand new set of forms to be submitted to a separate branch of bureaucracy. Recent legislative changes have therefore increased but have not been consolidated, as I pointed out earlier. I refer to the red tape and bureaucracy of income tax, unemployment insurance and now FISP programs.

Let me touch on another group which I believe is of some significance, namely, working wives. The new tax reform legislation includes deductions and measures, however imperfect, to compensate working wives for day-care costs for their children. The new Unemployment Insurance Act provides maternity benefits to be paid to pregnant women while they are away from work to have children. In contrast to these positive steps to recognize the costs of having children and to provide an incentive for remaining at a job, FISP takes a negative step: FISP penalizes working wives through its cut-off levels being based on gross family income.

Let me give an illustration. If a wife goes to work to supplement her husband's meagre salary, it is quite likely that her added income will push total family income above the cut-off level and she will therefore forfeit part or all of her family allowance cheques. For a middle-class wife this effect may not be too important, but for a family struggling to get out of poverty the loss of even a baby bonus cheque hurts. Consequently, FISP has a built-in disincentive.

This is what we on this side of the House are always talking about. It does not seem to reach the other side. We always talk about incentives. This government continually implements disincentives. I repeat, consequently FISP has a built-in disincentive for working mothers who know that they will probably lose part or all their family allowance cheque as a result.

Cut-off levels should be based on net income after deductions, rather than on gross income. This would be more meaningful. In this way personal income tax exemptions and child-care deductions will have their full power for working wives. Benefit cut-off levels could then be scaled to ensure that poverty-stricken families benefit most from family allowances. When I start to think about the cut-off levels I wonder why $4,500 was picked as the minimum and $9,100 as the maximum, the least deserving of any level.

There is an inconsistency among government departments in their assessment of when families need government support. The Minister of National Health and Welfare (Mr. Munro) takes into account the fact that it costs more to raise a child once he reached the age of 12 years, whereas the Minister of Finance (Mr. Turner) in his new Income Tax Act did not recognize that children cost more to raise until they reach the age of 16. This is why I wonder what is going on here. Do we ever discuss where, why and how we are going?

It seems that one minister contradicts another. As I said, the Minister of National Health and Welfare believes that a family with one child and a gross income of $4,500 or less should get maximum assistance from his department. The unfortunate thing about the white paper and the new tax bill is that through the Department of Finance a substantial tax continues to be imposed on the

same person. How can we rationalize that when on one hand the Minister of National Health and Welfare says that if you earn $4,500 and have one child, you are entitled to full benefits, and on the other hand the Minister of Finance says that he will not go along with that and will tax and take all he can get? I think I have placed some points before the House for serious consideration.

• (2140)

We have to reward initiative. I repeat that those who have been paying the shot for so long should be rewarded now and again. As it is, it seems the only time they will ever get anything is when they reach the age of 65. When they are 65 they will get old age security benefits and, maybe, benefits under the Canada Pension Plan. Otherwise there do not seem to be any programs of which they can take advantage so that they may project themselves into the good life and feel happy about it.

This is why I say: Be careful: Do not go too far, continually taking from so many people while at the same time leaving initiative without reward. Such a policy is bound to backfire. As I walk around my riding and talk to the people with whom I am concerned and who are concerned with me, I find there is a feeling permeating society and reflected in my riding, that we had better start rewarding initiative. Otherwise, why should a person continue to break his back? Can members opposite give me one good reason why anyone should continue to break his back to pay taxes when he finds that at times his money is spent in a haphazard, irresponsible way or even squandered?

At the same time, the people I am talking about can never seem to get a loan or a subsidy. All they seem to get are tax bills. Come April 30 they will start getting demands saying: You owe us so much. At least if you do not pay you are not sent to jail. I know this because I have been delinquent: I still am, as a matter of fact, Mr. Speaker. But there are no concessions except that the authorities will take it easy and charge interest at 5 per cent.

I notice that the Minister of National Health and Welfare is in the chamber, a friend of mine from Hamilton, so I will repeat a few of the remarks I have made. I hope, in any case, he will read my speech in *Hansard* tomorrow. It was not a very significant speech but it was one given in all sincerity. I have tried to outline a few areas of concern. I know the minister of health understands what I am talking about when I say we ought to reward initiative. I am repeating myself, but the minister was not here and I want to bring this to his attention. We cannot go on creating disincentives which affect the man who is paying the shot. We have to show some interest in him.

I have another point with respect to the regulations. I find that the regulations which people are asked to follow up by way of forms are too complex to be understood by those we are trying to reach. I hope that the minister in his charity—he is a charitable fellow—will do something to see that these forms are made easier to fill out by those we are trying to reach.

Let me close by saying once again that if ever this country is to move toward an economy in which everyone can enjoy equal opportunity, including opportunities for employment—and I believe we all want to work; I do not accept that there is a right not to work; I do not think we are yet ready for that—it is necessary to create a climate in which the economy can develop and move into an era of profound economic growth leading to greater productivity and, hence, to full employment. Then there will be no need of provisions such as we are considering at the moment.

Mr. John Gilbert (Broadview): Mr. Speaker, it is about four years since I heard the maiden speech of the hon. member for Hamilton West (Mr. Alexander). I shall never forget that speech because in it he set forth his philosophy of life. In essence, he said:

Judge not a man by the colour of his skin,
Or the way he looks or fights or sins,
Or the gods he serves or the wine he drinks,
But judge a man by the way he thinks.

Tonight we heard that philosophy reiterated by the hon. member. He spoke with clarity and conciseness and he certainly convinced many of us on this side with regard to the points he put forward. I could add an addendum to that by saying that if an NDP member is not elected during the next election in Hamilton West, then I hope the present member is re-elected.

• (2150)

On November 30, 1970, the government tabled its white paper on income security for Canadians. The purport of that report covered two main subjects. One concerned the treatment of pensions for senior citizens and the second covered family allowances. Many of us were prepared to forgive the minister at that time for not sending the white paper to the committee for study in depth, because in the month of December, 1970, the government introduced its old age security legislation. Well do we remember the matters contained in that legislation in 1970, and more especially the 42 cents increase given our pensioners, right at Christmas time. Not only did the government make a generous increase of 42 cents, but it froze the cost of living clause at 2 per cent for those who were going to receive the $80.

That was the first benefit received by our senior citizens from the white paper on income security for Canadians. Many of us were very unhappy about this because at that time the minister was introducing a principle to which many of us are strongly opposed, namely, the principle of selectivity as opposed to that of universality. I am sure that if Mackenzie King were here tonight—and he may be in spirit—he would recall the legislation for which he was responsible in 1944 which introduced for the first time in the history of Canadian social welfare the principle of universality. He or his spirit would shed buckets of tears at what the government he once led has now done to the principle of universality.

Not only has the minister dropped this principle from the old age security legislation but he is now attempting through Bill C-170 once more to drop the principle of universality in favour of selectivity in the field of family allowances. I am rather amazed that the minister would introduce such a principle. He comes from the city of Hamilton, a city composed of working people with a wide scale of income. The minister is now adopting the principle that payment of family allowance shall be determined

by family income. It is, in effect, a polarization of income which determines whether or not a person is entitled to family allowance.

Although we have polarization taking place in other parts of the world, now is not the time to introduce this principle in Canada. In fact, the government has been strongly opposed to polarization in many fields, such as the different nationalities within our country, the cultural rights of the people and also linguistic rights. Many of us on this side have not been very proud of the government in this respect. We do not think that polarization of nationalities, culture and language should be allowed to take place. Yet while the government adopts this principle of polarization it rejects the principle of universality in the payment of family allowances, and I suggest that such rejection is not worthy of support.

Some of our speakers have indicated the results that will flow from this type of legislation. When the legislation giving the 42 cents increase to our pensioners was passed in December, 1970, as well as the legislation that gave certain old age pensioners the guaranteed income supplement, certain consequences flowed and from that time on all hon. members have felt these consequences. First of all, there was a feeling of ill will on the part of those now being paid the $80 because the 2 per cent cost of living increase was not provided at that time. There has been a feeling of ill will on the part of those in receipt of the guaranteed income supplement because some people, by not declaring income, may be able to obtain more than their rightful share of the supplement. As a result, we do not have the type of atmosphere we want to create for our old age pensioners. Instead, we have had divisiveness, ill feeling among the different classes of old age pensioners and resentment, on the part of many who do not receive it, of those who do.

I suggest the same consequences will flow from the family allowance legislation now before the House. We will have a division of our working people. There will be a polarization in that some people will get none of the benefits of family allowances yet will pay a large proportion of the cost. If there is one thing we do not need, Mr. Speaker, it is division among the working people who are dependent on their income. I am rather surprised that the minister would seek to introduce this legislation at this time. I shall continue in depth tomorrow afternoon, if I may call it ten o'clock, Mr. Speaker.

Mr. Speaker: Order. I believe the President of the Privy Council (Mr. MacEachen) seeks the floor on a point of order.

Mr. MacEachen: Mr. Speaker, if I could have consent of the House to revert to motions I should like to make reference to the Standing Committee on Public Accounts and to the Standing Committee on Procedure and Organization, both of which matters have already been cleared through private discussion.

Mr. Speaker: Is it agreed that the minister shall have leave to revert to motions?

Some hon. Members: Agreed.

[Mr. Gilbert.]

ROUTINE PROCEEDINGS

PUBLIC ACCOUNTS

MEASURE TO SET OUT FUNCTIONS AND POWERS OF THE AUDITOR GENERAL

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I move, seconded by the Minister of Agriculture (Mr. Olson):

That the Standing Committee on Public Accounts be authorized to prepare a draft bill concerning the office, functions and powers of the Auditor General.

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

Motion agreed to.

PROCEDURE AND ORGANIZATION

RADIO AND TELEVISION BROADCASTING OF HOUSE AND COMMITTEES—REFERENCE OF EVIDENCE TO STANDING COMMITTEE

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I move, seconded by the Minister of Agriculture (Mr. Olson):

That the question of radio and television broadcasting of the proceedings of the House and its committees, including the legal, procedural and technical aspects thereof, and the evidence collected by the committee during the past session in relation to these matters, be referred to the Standing Committee on Procedure and Organization.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, perhaps the government House leader would confirm that we will be continuing tomorrow the debate on Bill C-170.

Mr. MacEachen: Yes, Mr. Speaker, this will be the first order of business, to be followed by second reading of the bill to amend the Canada Labour Code.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

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

MANPOWER—LOCAL INITIATIVES PROGRAM—SUGGESTED ONGOING PROGRAM TO ASSIST PEOPLE IN ISOLATED COMMUNITIES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, some time ago I asked a question in the House of the acting minister of manpower and immigration regarding consideration being given to extending the Local Initiatives Program. I asked the question in sincerity because in my opinion this is the first time citizens of Canada in remote and isolated communities have been able to use their initiative on behalf of their communities to create employment opportunities for those in need.

However, through lack of communication in the past many people in remote areas were unable to involve themselves in the programs of the government. This is the reason I should like to have this program extended. Unfortunately, the minister merely replied that the province of Newfoundland received its fair share. I am not satisfied with this answer because regardless of the fair share of anyone in Canada, there are unemployed people in remote and isolated communities of Newfoundland who have never had the opportunity to participate in government programs because of lack of communication. The people in the isolated communities of my province do not receive the message of government programs. I feel communication is vital in this regard in spite of the weaknesses in some of the programs.

In spite of the fact that the Local Initiatives Program has done some good, I believe the government has failed to help those who are unemployed and are in greatest need. There has seemed to be lack of control by the government over the program in respect of going to the Manpower centres and finding out who indeed is in need of a job. I give the government credit for introducing the program, but if the government is prepared to provide such a program I feel it should follow through to ensure that it benefits those who are in greatest need.

I spoke to the parliamentary secretary and it was indicated to me that some of these programs may be ongoing. I believe the program is good and I feel there is no reason it should not be continued so that people whose programs have been disapproved could have the opportunity to receive the benefit of an ongoing program which would create employment opportunities for those who are vitally in need in my province. I can only say I hope consideration will be given to some other type of program such as the Local Initiatives Program.

People in one community ask me why a project has been approved in another community as being a good one while in their community a similar project has been disapproved. I can only say to them that this is because many programs were submitted and there was lack of control. I believe the parliamentary secretary or the minister would wish to clarify this situation so that I may give proper answers to these people. I say, again, this is a good program but for some reason people across Canada wonder why they cannot participate while others have an opportunity to participate in a similar program. I ask the parliamentary secretary to clarify this matter and give me an indication of what the future holds for these Canadians.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I want to thank the spokesman for the Progressive Conservative party for the strong support he has given to the Local Initiatives Program. This program is just that; it is a program based on local initiatives. Despite reports to the contrary, the Salvation Army was given a grant in Burlington, Ontario, for a very worth-while social development program.

It is a fact that for every project in a metropolitan centre there are many other projects designed to provide employment and improve facilities in literally hundreds of small towns, villages and rural crossroad communities all across the country. We have projects such as the building of a community centre at 100 Mile House in the B.C. interior, land clearing and repairs to housing at Watson Lake in the Yukon, construction of a terminal building at Haven Settlement in the Northwest Territories, establishment of a fishing co-op at Savage Island in northern Manitoba, construction of a community wharf at White Bay, Newfoundland, community rink improvements at Forchu, Nova Scotia.

The list goes on and on. Indeed, while I have many more examples such as those I have given, I cannot give the whole list of perhaps not very glamorous but nevertheless very important contributions to community betterment and alleviation of unemployment represented by the hundreds of projects put forward by community groups in isolated settlements which have been accepted under this program. I cannot give the list simply because what may be regarded as an isolated community by people in one place may be seen as the very heart of civilization to those living somewhere else. But one thing I can tell the House is that LIP has been very successful in directing aid to pockets of unemployment wherever they exist in the country.

It is common knowledge, of course, that in absolute numbers most of our unemployed live in cities of 50,000, 100,000 or more population. But while the numbers are not so great, it is unfortunately often true that some of the more remote rural areas suffer proportionately much higher rates of unemployment in winter than do the cities. LIP has been very conscious of this problem in its allocations and, since it is a program primarily concerned with providing useful work for the unemployed, it has concentrated a good deal of effort in stimulating proposals for worth-while projects in smaller centres where unemployment is high.

In terms of the population in those geographic areas served by the various Canada Manpower centres, the centres having the highest rates of unemployment, which had an estimated 30 per cent of the country's total unemployed, received nearly 40 per cent of project approvals and funds. Those with the lowest unemployment rates, which generally tended to be the more populous places, the Canada Manpower centre areas having the lowest rates of unemployment in the country, accounted for 25 per cent of total unemployment and received 15 per cent of project approvals and funds. Of course, in all areas some rationing of funds was necessary and not every project could be approved. But given the emphasis I have described, an emphasis which was maintained for reasons

which I hope I have made clear, applications from rural areas were given consideration commensurate with local unemployment conditions.

New employment creating programs are under consideration and the experience gained in the Local Initiatives Program, both as to the source of the applications received and the type of projects put forward, will be taken into account in this consideration.

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member for Assiniboia (Mr. Knight).

TRADE—DISPLAY OF CANADIAN AGRICULTURAL PROJECTS AT PEKING FAIR

Mr. Bill Knight (Assiniboia): I assure you, Mr. Speaker, that you shall not hear such rapid-fire speaking as that to which you have just listened. I suppose it works on the old theory that if you talk fast enough somebody will believe you.

I asked the Minister of Industry, Trade and Commerce (Mr. Pepin) last fall a question pertaining to the China Solo Fair and at that time I did not receive the answer that I was seeking. The minister announced in a news release that Canada was going to have an important China Solo Fair which would be the first fair at which Canadian goods would be the only goods on display.

I then asked the minister if there would be any attempt to show Canadian agricultural products at this fair. At that time there was no answer. Therefore, in the new session I once again asked the question and the minister suggested that there were 250 companies or groups desirous of participating in the China Solo Fair. He did not outline what those companies were and whether any of them were connected with the agricultural industry. The information I am seeking through my questions is simple: Who has applied? Will there be a display of our agricultural products?

• (2210)

In his answer the other day the minister suggested that the Canadian Wheat Board has a direct line of communication with a purchasing agency in China. I think a number of points should be made about that type of answer. For example, one large sale of wheat should not ignore the possibility of further development of sales on a long-term basis. This is particularly true now that the Americans are developing friendship with the Chinese and say that they will trade in non-strategic goods and products. That, to me, means agricultural products, making the Chinese Solo Fair that much more important in terms of displaying our agricultural products.

I am concerned that the Minister of Industry, Trade and Commerce assumes that there is only one farm product to be sold to the Chinese. I point out to him that there are a variety of products such as beef, rapeseed oil, mutton, dairy products, sunflower seed oil, other grains, etc., that we should display and which would be of interest to the Chinese buying companies.

In terms of the answers I have received, I wonder whether the government has ever considered the difficulty involved in having one minister in charge of the Wheat Board and another in charge of trade and commerce, when at times those two gentlemen have jurisdiction in the same area of trade affecting the sale of Canadian agricultural products. I ask the government that the Canadian people be informed of who has applied and who will be going to the Chinese Solo Fair. I hope the agricultural sector will not be ignored because of the minister's preoccupation with the industrial sector.

[Mr. Perrault.]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, let me assure the hon. member for Assiniboia (Mr. Knight) that Canada will be represented in all important aspects of its commercial and agricultural sectors at the Solo Canadian Trade Fair in Peking.

Mr. Knight: What about agricultural products?

Mr. Howard (Okanagan Boundary): I included agricultural products. Canada is in the position of going to China as a guest of the Chinese government, and all exhibits at the fair will be entered in consultation with the Chinese government. Exhibits will include grains, oils seeds, forage seeds, tobacco, livestock and semen, and poultry breeding stock. We will have a very large exhibit in this area that will be backed up by technical experts with films and teams of experts who will be available to talk to the Chinese specialists in these fields.

We expect that our specialists will also be touring areas of China which are involved in agricultural production and areas that are of special interest to Canadian producers. We hope that as a result of this presentation we will be able to enlarge our sphere of influence in the agricultural field in China. But I emphasize that these arrangements with the Chinese government must be carried out in consultation with the Chinese with respect to the selection of products that will be shown.

I repeat that we will be represented in the agricultural field. The displays will be made by representatives of national producer and trade associations and marketing boards, and not by private companies as in the case of manufactured products. In this way we feel we will have the most effective representatives there, that we will be able to obtain immediate business in this area and will be able to open up areas of trade that will be of long-term significance for Canada and Canada's farmers.

YOUTH—OPPORTUNITIES FOR YOUTH—REQUEST FOR OTHER PROGRAMS TO ALLEVIATE UNEMPLOYMENT

Mr. David MacDonald (Egmont): Mr. Speaker, I think it is typical of our situation that in again raising the question of employment for youth this summer the minister has not thought it important to be here to deal with the questions that I have been putting to him week after week. It is typical, in view of his non-answer to my question this afternoon and to questions over the last weeks and months that have attempted to find out what the government's answer is to the growing problem and national crisis of summer employment for the nation's youth.

On March 9, commenting on the Cohen report which followed last summer's Opportunities for Youth and other

programs and which pointed out a major failure to solve student unemployment programs, I asked the Secretary of State (Mr. Pelletier) if he was now exploring with the provinces or with business and other authorities further measures that might be taken to alleviate the very serious student unemployment that will occur this coming summer. The minister replied:

> Mr. Speaker, we are exploring all possible means to reduce unemployment.

I would not even dignify that response by calling it an intelligent or concerned answer. On March 22, again inquiring what would happen to the many project submissions that could not be accepted by Opportunities for Youth—some 16,000—I asked:

> In view of the fact the minister indicated earlier that some 20,000 opportunities for youth projects have now been submitted and only a fraction of these will be accepted, is there any specific program underway to consult with other agencies that might well implement some of these very worthwhile projects?

The minister replied: "Yes, Mr. Speaker". Again today, in a series of specific questions to the Prime Minister (Mr. Trudeau) I asked a question about this coming summer and expected massive youth unemployment but did not receive an answer.

The government, and particularly the Secretary of State, seem to be content to play parliamentary games at a time when more and more young people are seeking employment on a labour market that has neither the depth nor the scope to accommodate a substantial portion of them. It now appears clear that there may be over a quarter of a million young people with no chance of employment. The reticence and lack of concern by the ministry and this government is shocking. This is difficult to understand because as far back as last fall, one series of unemployment figures which was published showed a higher proportion of unemployed young people between the ages of 14 and 24. The Prime Minister seemed surprised and disturbed by this.

The Prime Minister obviously had not been reading Economic Council of Canada reports over the years which have been consistently warning the government to expect this influx of young people into the labour force as the baby boom of the 1940s reached the working age level. In September, 1969, the Economic Council of Canada reported:

> There is a need to develop much more effective measures to bridge the present disturbing gap between school enrolment and productive employment, especially with very large numbers of young people emerging from the educational system.

That can be said both of those coming permanently on the labour market and those who are seeking seasonal employment in order to further their education. The government is still not aware of the figures relating to lack of employment. There will be over 1,300,000 young people available this summer, an increase of 100,000 over last year. How well did the government do last year? According to this evaluation report tabled last Friday, about 75 per cent of the young people seeking work last summer found it in the private sector. Of the remaining 25 per cent, about 5 per cent found employment through federal government expenditure, which leaves about 20 per cent who found no employment. That is about 217,000 young people unemployed last summer. If we add the projected increase of 100,000, it is not difficult to assume that there will be over a quarter of a million young people unemployed this summer.

In trying to brush this off last November 11 the Prime Minister suggested that many young people would just as soon bum around. I have news for the Prime Minister and the Secretary of State: those who hitch-hiked around then or now are not counted as seeking work or as statistics for unemployment. Who knows how many simply turned to bumming around because there was no promise of employment? The Prime Minister's ability to slough off serious issues of work opportunity constitutes, in the vernacular, a bum steer, a steer from which our young people deserve escape.

Mr. Bell: Shame!

• (2220)

Mr. MacDonald (Egmont): The minister seemed reluctant to be quite so eulogistic about opportunities for this year, and rightly so. He must now realize that Opportunities for Youth is no solution to the problem of growing youth unemployment in this country. Close to 200,000 young people will willingly spend time and energy in thinking out proposals. They will submit them in the expectation of seeing those projects accepted. How many of those young people, and there are almost 200,000 of them, will be fortunate? How many projects will receive favourable consideration within a few weeks? I suggest that less than 30,000 will be in that position. Therefore, over 160,000 young people at that late date will be forced to find other means of employment.

That is a cruel if not a close to dishonest way, of dealing with young people who are anxious to further their own position and prepare themselves for the service of this country in a social and economic way. This entails a waste of youthful talent and a serious waste of youthful expectations and is bound to create growing frustration and cynicism.

We face a major dilemma in this country, one which this government has not yet recognized. We need an over-all strategy for coping with the situation. Hopefully, through that strategy some leadership can be shown by this government. Today there is no evidence of such leadership, which is necessary for co-ordinating the activities of various levels of government and of various bodies, public and private. Only with such bodies acting together can we put together an over-all plan. Only that way, if we act on a long-term basis, can we help our young people to work constructively for this country and at the same time for their own advancement, and help them avoid that despair which the leadership of the government and of the minister has not alleviated.

Mr. Marcel Prud'homme (Parliamentary Secretary to Secretary of State): Mr. Speaker, the minister was in the House today but he has to be absent tonight and tomorrow on important government business in Calgary, the announcement of which I am sure everyone will be interested in tomorrow. If my colleague wishes, as a courtesy gesture I will give my answer in English instead of in French as I usually do.

In response to the question of initiatives being taken by the government to tackle the problem of student unemployment, the hon. member previously had an extensive exchange with the Secretary of State (Mr. Pelletier) on this question in the miscellaneous estimates committee on March 17. I do not see the need to comment further on steps we have taken to secure the co-operation of the provinces in an all-government effort to deal with student summer unemployment.

With regard to the private sector, it has become apparent that individual companies and agencies are interested in funding projects which, although extremely worth while, are not eligible for funding by Opportunities for Youth. Thus, a special committee is working this year to follow up these initial contacts made with the private sector and also to seek out and encourage other companies or agencies who might be interested in such a venture. Where possible, projects are referred to these sponsors.

However, the summer programs which are funded by the Department of the Secretary of State should not in any way be misconstrued as representing total government action towards alleviating student summer unemployment. Appreciating that the traditional source of student employment lies with the private sector, the Department of Manpower will continue to work with the Canadian Chamber of Commerce in its Operation Placement program. The department's role will be to encourage co-operation among all the Chamber's 125,000 members across the country to develop local campaigns and promote community involvement in providing summer employment.

In addition, $1,773,000 has been allocated to fund 132 special Canada Manpower centres for students. These centres will be staffed by 500 students and will be able to assist both students seeking employment in industry, and industry seeking students to fill job openings. I might also point to a new program this summer in the Department of Manpower—the inter-regional student summer employment program. Through this program students seeking employment in other provinces will be assisted by government.

The government is aware that this program will not by itself solve the problem of student unemployment. However, both in the example it sets and by the model it portrays it represents a major effort by the government to involve the provinces, the private sector and other authorities in a co-ordinated and comprehensive response to student unemployment problems.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Tuesday, March 28, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

HOUSE OF COMMONS

EASTER ADJOURNMENT

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That when this House adjourns on Wednesday, March 29, 1972, it shall stand adjourned until Thursday, April 13, 1972, provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purpose of reconvening the House.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, there are just a few words I should like to say on this motion which has been placed before us by the President of the Privy Council. We have no objection to the motion, which calls for a two-week recess beginning at six o'clock tomorrow night, but I think that the President of the Privy Council at some point ought to take us into his confidence and tell us what is involved, particularly since we are coming back on a Thursday rather than on a Monday as is usually the case following an Easter break. In view of the fact that Thursday, April 13, is the day when President Nixon arrives in Ottawa, it seems only fair that we should be told what plans the government has in mind, particularly for the House of Commons.

My other comment, Mr. Speaker, also arises out of the proposal for a slightly extended recess at this time. With the speculation abroad about a general election, it seems to me that the government might also take us into its confidence in that matter. I realize that if I were to ask the Prime Minister (Mr. Trudeau) directly—and that is the way you like us to put questions—when the election is going to be held, he probably would not be as definite as some of us have been. But, Mr. Speaker, I remind the government that on certain occasions in the past when a general election has been more or less certain the government has told the House what its plans were so that the business of the House could be arranged for the last week or two in an orderly fashion. It seems to me, if the government is not prepared to make such a statement with respect to this motion, that it should, when we come back after the Easter recess, make a clear statement as early as possible and tell us what the actual position is. If the election is going to be put off until next fall or next year, let the government say so categorically. But if it is planning to hold the election at the end of June, I suggest we ought to be told so that the business of the House can be dealt with in an orderly fashion during the last week or ten days that we are here.

• (1410)

Mr. Hees: You guys just don't know when the election will be. You cannot make up your minds.

Motion agreed to.

* * *

FISHERIES

TABLING OF EXCHANGES OF NOTES BETWEEN CANADA AND DENMARK, THE UNITED KINGDOM AND PORTUGAL AND AGREEMENT BETWEEN CANADA AND FRANCE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table four sets of documents dated March 27 consisting of an exchange of notes between the government of Canada and the government of Denmark concerning fisheries relations between the two countries, an agreement between Canada and France on their mutual fishing relations, an exchange of notes between the government of Canada and the government of the United Kingdom concerning fisheries relations between the two countries, and an exchange of notes between the government of Canada and the government of Portugal concerning fisheries relations between the two countries.

Mr. McGrath: On a point of order, Mr. Speaker, I object most strenuously to the procedure being followed today by the Secretary of State for External Affairs. Members of parliament are not being given the same rights as the press in this regard. I point out to Your Honour that yesterday afternoon at five o'clock members of the press were briefed on these four important treaties by senior officials of the Department of External Affairs.

An hon. Member: Shame!

Mr. McGrath: It is regrettable that the same privilege has not been extended to members of parliament. I want to be on record as being opposed to the procedure now being followed, and I wonder what is happening to the concept of responsible government.

Mr. Sharp: Mr. Speaker, may I say a word on the same point of order. Yesterday afternoon, as the hon. member

suggested, I signed agreements with the High Commissioner and the ambassadors of the countries concerned. I did not feel it desirable to do this in secret since we had nothing to hide. At the first opportunity I have tabled these documents in the House of Commons.

* * *

TRADE

TABLING OF TELEGRAM TO CANADIAN COPPER PRODUCERS HAVING CONTRACTS WITH JAPANESE PURCHASERS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2) I wish to lay on the table of the House the text of a telegram sent by me, as Minister of Energy, Mines and Resources, to Canadian copper producers who have contract arrangements with Japanese purchasers.

* * *

NATIONAL SECURITY

STATEMENT ON MATTER INVOLVING ANTON SOBOTKA

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, hon. members are fully aware that there is constant work and vigilance in Canada on security matters and that at the same time it is not customary to comment on these matters or on this work. Indeed, the success of security work requires this restraint.

There has been recent speculation concerning a security matter associated with the name Anton Sobotka. This speculation is based on a fictional account which itself was based in part on real facts, and which formed a part of training material for our security work.

I should reassure hon. members that, while the case is interesting, it bears little resemblance to the colourful speculation about it. Indeed, the espionage depicted is espionage at a low level, and the case is one of effective counter-espionage work in discovering it rather than a defection.

Having said that, I hope that hon. members will agree with the ordinary procedure of avoiding comment on security matters. In the ordinary course the Leader of the Opposition is briefed on security matters. In this case, as Acting Solicitor General, I would be glad to discuss in full detail with the leaders of the opposition parties the training material to which I have referred.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, this place is getting to be somewhat like Alice in Wonderland. We get the brush-off from the Prime Minister one day and then the next day we get the statement that the Minister of Justice has just made.

Mr. Danson: And is the Mad Hatter now speaking?

Mr. Stanfield: The minister said that the speculation is based on a fictional account which itself was based in part on real facts. That sounds like the government's version of its own record.

[Mr. Sharp.]

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: I will, of course, take up the minister's proposal to discuss this matter with him. But I want to make it very clear that I will do so on the basis that I do not tie my own hands with regard to information that may come from other sources.

The minister also made the statement that in the ordinary course of events the Leader of the Opposition is briefed on security matters. I do not want anybody to get the impression from this that I have been briefed on this or, indeed, on any other matter relating to espionage since I have been Leader of the Opposition.

* * *

UNEMPLOYMENT INSURANCE ACT, 1971

AMENDMENT RESPECTING WAITING PERIOD AND DELAY IN PAYMENT OF BENEFITS

Mr. Peters, Timiskaming (for Mr. Howard, Skeena) moved for leave to introduce Bill C-185, to amend the Unemployment Insurance Act, 1971 (*justitia pro societas*).

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

* * *

ARCTIC WATERS POLLUTION PREVENTION ACT

AMENDMENT TO EXTEND JURISDICTION TO WATERS OFF PACIFIC AND ATLANTIC COASTS

Mr. Barnett, Comox-Alberni (for Mr. Howard, Skeena) moved for leave to introduce Bill C-186, to amend the Arctic Waters Pollution Prevention Act.

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

ORAL QUESTION PERIOD

TRADE

STEPS TO INCREASE EXPORTS TO EUROPEAN ECONOMIC COMMUNITY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the very sharp decline in Canada's trade with the European Economic Community during the past year and in view of reports from within the community of very strong pressures in each country to increase manufacturing, which of course will make it more and more difficult for countries to trade within the community, will the minister advise the House whether Canada is taking special additional steps at this time to increase our trade with the EEC, and will he take the first opportunity on motions to outline what those steps are?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, statistics are one of the strong points of my hon. friend, but he always neglects to digest them. If you look at the exports to Europe you will realize that the picture is not as he indicated. In 1971 we had a slower growth. This was due to the fact that in 1970 we had a rather extraordinary growth. This having been said, the efforts of my department were fully developed yesterday at a trade conference here in Ottawa to which 20 of our trade commissioners were recalled from Europe in order to advise and receive advice from Canadian businessmen. This is only one of many things we are doing to enhance our trade position with Europe.

Some hon. Members: Hear, hear!

Mr. Hees: In view of the fact the minister considers that a 5 per cent increase in trade, which is only about one-third of what is necessary, is satisfactory, and in view of the fact the steps he has outlined, as he knows perfectly well, are completely inadequate, will he get his head out of the sand and face reality instead of thinking of things as he would like them to be?

Mr. Speaker: Order, please. The hon. member's question is a suggestion. I do not think it is procedurally acceptable. I believe the hon. member for Waterloo has a supplementary.

* * *

• (1420)

INDUSTRY

PROVISION OF NEW INDUSTRIAL STRATEGY

Mr. Max Saltsman (Waterloo): Mr. Speaker, may I ask the Minister of Industry, Trade and Commerce whether his department is working on a new industrial strategy for Canada, and whether this new industrial strategy includes a redefined role for Canadian international corporations?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, we are working on that. I am afraid the hon. member will have to wait for some time before he is given a chance to see it in proper shape.

Mr. Stanfield: I should like to ask the minister whether it is the policy of the department to encourage Canadian corporations to establish subsidiaries within the European Common Market for the purpose of increasing sales there.

Mr. Pepin: Yes, Mr. Speaker, when this is a way of enhancing Canada's national interests.

Mr. Saltsman: Can the minister give us some indication of when we might expect a report on the new industrial strategy he is preparing?

Mr. Pepin: I have already provided this information. I will send the reference to the hon. member.

TRADE

UNITED STATES DISC PROGRAM—DETERMINATION OF AREAS AFFECTED—USE OF COUNTERVAILING DUTIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. Since the minister has so far failed to enunciate any policy in response to the implementation of the DISC program in the United States because of the fact that there was not sufficient information as to what was being done under this program, and since the word from Washington now is that some 190 corporations have applied for tax status under DISC, I want to ask the minister whether his department is doing any research to determine which areas of our trade will be affected, and whether any countervailing duties will be applied in these particular areas?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I suggest that anybody reading *Hansard* tomorrow will find a good justification for not having done what is suggested, in the first sentence of that question. In view of the fact that we do not have sufficient information it has been difficult to devise a policy. I thought that was a good remark, good justification for not having devised a policy. Nobody has that information. The hon. member referred to 190 companies which might use DISC facilities. This is a figure which is sometimes given. Sometimes the figure 100 is mentioned; at other times it is 300. No information is available, to my knowledge, as to which companies are included in that number. There is not even information on many points of importance concerning the manner in which the DISC program will be implemented. It is still vague. So the hon. member is right: we cannot devise a policy unless we know all the facts.

Mr. Douglas: The purpose of my question is to ask the minister whether he or his officials are making any serious attempt to find out the names of the corporations which have applied under DISC, what those corporations are, and especially whether any car manufacturers or manufacturers of car parts have made application. Has the minister any of this information, and, if not, when he gets this information will he make a statement in the House outlining the government's policy with respect to countervailing duties?

Mr. Pepin: If the hon. member would care to look at past copies of *Hansard* he would find that I have already answered this question. My information is wholly hearsay; it is not based on documentation but hearsay, consultations and conversations we have had with the Canadian sectors of industry, and is that automobile manufacturers do not plan to use the DISC facilities and that a small number of parts makers are supposed to have filed applications under DISC, but a very small number indeed. My information from the parts makers in Canada—

Mr. Speaker: Order, please. I suggest to both the hon. member who asked the question and the minister who replied that we are taking a little too long on each individual question. I would remind hon. members that there appeared to be agreement yesterday that we might

make an effort today to give an opportunity to those in the back rows who wish to participate in the question period.

Some hon. Members: Hear, hear!

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my supplementary question to the Minister of Industry, Trade and Commerce. In view of the fact that last year's figures reveal an alarming increase of 20 per cent in bankruptcies in middle-class industry and business, and in view of the very serious ramifications that the DISC program might have on this segment of industry, can the minister not say whether countervailing duties have been considered by the government, and will he not consider making a statement on this matter?

Mr. Pepin: Mr. Speaker, my Bible is still what was said at the time by the then Minister of Finance, now Minister of National Defence, namely, that when a proper assessment of the effect of this program on the Canadian economy has been made, the necessary countermeasures will be taken.

Mr. Speaker: The Chair will recognize the hon. member for Oshawa-Whitby on a supplementary and then will go to the hon. member for Abitibi. I point out we have not yet completed the first round of questions and we should try to get on.

UNITED STATES DISC PROGRAM—POSSIBILITY OF CANADIAN LEGISLATION TO COUNTER EFFECTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary question is directed to the Minister of Industry, Trade and Commerce. In view of the fact the government House leader in the Senate is reported to have said in a speech in Washington, I believe two days ago, that in fact the government does have detailed legislation prepared and ready to implement in order to deal with the effects of the DISC legislation of the United States, are we to understand from what the minister has said in reply to a question asked by the hon. member for Nanaimo-Cowichan-The Islands that the legislation that the government House leader of the Senate was referring to—

Mr. Speaker: Order, please. I will allow the minister to reply briefly to the question, but the hon. member knows that the rules do not make it possible to quote what is said in the other place for the purpose of asking a question. I have the impression that this is what is being done at the present time. I believe there is good reason for this rule. However, since the hon. member has asked the question the minister might reply briefly.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The government representative in the Senate was speaking in another place, Washington, so perhaps we could make an exception here. It shows how well informed the government leader in the Senate is. He is aware—

Mr. Speaker: Order, please. The minister's reply shows how well founded the rule is, because I suggest that in replying to questions it is not in order for the minister to refer to statements made in the other place.

[Mr. Speaker.]

Mr. Broadbent: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Oshawa-Whitby is rising on a point of order.

Mr. Broadbent: I am sure Your Honour misheard me. I did not refer to comments made by the government House leader in the other place but to a speech that the government House leader of the other place made in Washington, with direct reference to government policy. Therefore I repeat the question and would ask the minister to answer it.

Mr. Speaker: I doubt whether that makes the question any more in order. The hon. member knows that speeches made outside the House can be quoted as support for questions only to ascertain whether such statements represent government policy. Because we are running short of time, if the minister has anything to add to his previous answer he will be recognized for that purpose, but I am anxious to give an opportunity to a representative of the party to the extreme left of the House to ask a question.

Mr. Pepin: Mr. Speaker, may I just repeat that the government House leader in the Senate is aware of a number of things that could be done, and that is what I thought he was referring to.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED EXTENSION OF DEADLINE FOR COMPLETION OF PROJECTS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

Can he tell the House whether he has accepted the suggestion of the Union of Municipalities and the Canadian Federation of Mayors and Municipalities that the deadline for the Local Initiatives Program be extended from May 31 to June 30?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the responsible minister is still of the same opinion that he held in the House, that is to say that, for the time being, he has no intention of granting an extension and that, should the matter be considered, a statement would be made in due course.

LOCAL INITIATIVES PROGRAM—PROVISION OF ADDITIONAL FUNDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a supplementary question to the right hon. Prime Minister.

In view of the large number of extremely serious and worthy projects presented by the municipalities and various other bodies, can we hope the government will add

millions of dollars to the amounts already allotted, thus enabling government services to accept those projects?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, to my mind the hon. member should not entertain high hopes in that regard. We have already earmarked considerable sums for that program and the possibility of increasing them is rather slim.

* * *

• (1430)

FEDERAL-PROVINCIAL RELATIONS

CONSULTATION WITH PROVINCES—POSSIBILITY OF PARTICIPATION BY MUNICIPALITIES

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Prime Minister.

In view of the fact that, in their brief, the Canadian Federation of Mayors and Municipalities seem to blame the federal government for a lack of consultation, does the Prime Minister intend to consult the provinces in the near future to discuss the possibility of negotiating with municipalities as far as pollution, taxation, transportation and industrial promotion are concerned?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, a year and a half ago, the federal government at a conference held in Winnipeg and attended by the Minister of Consumer and Corporate Affairs then responsible for Urban Affairs suggested tripartite meetings and that proposal was discussed on several occasions. I know that early in April the Minister of State in charge of Urban Affairs is also meeting his provincial opposite numbers to continue this discussion. Yesterday, at the meeting of the Canadian Federation of Mayors and Municipalities, I announced that we hoped there would be a tripartite conference before the end of the year.

* * *

[*English*]

MANPOWER

LOCAL INITIATIVES PROGRAM—PROVISION OF ADDITIONAL FUNDS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Prime Minister. Is it the intention of the government to allot any further funds to the local initiatives program, and, in particular, are the recent reports that the government intends to allot a further $500 million to this fund accurate?

Mr. Speaker: Order, please. I have the impression that this question has just been asked by another hon. member. If I misunderstood, perhaps the Prime Minister could reply again to the hon. member's question.

Mr. Nielsen: Mr. Speaker, I think my question is more specific.

Some hon. Members: Oh, oh!

Mr. Nielsen: Mr. Speaker, my question was whether or not the reports that the government intends to allot a further $500 million to this fund are accurate?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the only accurate thing about the question is that it does indicate a great deal of enthusiasm on all sides for this program.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Gander-Twillingate for a last supplementary and then recognize the right hon. member for Prince Albert.

LOCAL INITIATIVES PROGRAM—REINSTITUTION THIS SUMMER WITH REDEFINITION OF CRITERIA

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to ask the right hon. Prime Minister whether the government plans to reinstitute the local initiatives program this summer with some redefinition of criteria and, if so, when can we expect an announcement in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid I did not hear the question.

Mr. Lundrigan: I will repeat it, Mr. Speaker. Does the government plan to reinstitute the local initiatives program this summer with some redefinition of criteria and, if so, when can we expect an announcement?

Mr. Trudeau: Mr. Speaker, this question was raised several times last week. I do not know where the hon. member was but I think it has been answered many times.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I suggest we are running short of time.

Mr. Hees: Ask the Minister of Transport.

Mr. Speaker: If we have time we will try to return to this important matter. I understand the hon. member is rising on a point of order.

Mr. Lundrigan: Mr. Speaker, I rise on a point of order. Last week we had our own local initiatives program going in Newfoundland; it was an anti-pollution program.

Some hon. Members: Hear, hear!

Mr. Lundrigan: I did not hear the Prime Minister's answer.

Mr. Speaker: Order, please. The right hon. member for Prince Albert.

CANADIAN CONSTITUTION

QUEBEC LEGISLATION ABOLISHING OATH OF ALLEGIANCE FOR MEMBERS OF LEGISLATURE—SUGGESTED INTERVENTION BY GOVERNOR IN COUNCIL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I direct my question to the right hon. Prime Minister as the Queen's first minister. As the legislature of the province of Quebec is abolishing or has abolished the oath of allegiance for its members, which clearly contravenes that part of the constitution embodied in the British North America Act, does the Governor in Council intend to request that His Honour the Lieutenant Governor reserve royal assent pending the signification of the Governor in Council in respect of this measure?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must confess that I do not know whether this has been done, as the right hon. member suggests. If it has been done and if it clearly contravenes the constitution, this action of the Quebec government is not valid and therefore we do not have to take action on it.

Mr. Diefenbaker: Mr. Speaker, this matter cannot be brushed aside like that.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Is the constitution going to be upheld by this government or is it not? That is the question I ask the Prime Minister. If it is to be upheld, is the Lieutenant Governor to be asked to withhold royal assent pending the signification of the Governor in Council? Otherwise, the constitution is entirely swept aside.

Mr. Trudeau: Mr. Speaker, on problems in respect of the reservation of provincial laws I believe it has been the policy of all governments in the past 30 years not to have recourse to this paternalistic and undemocratic method. I could go on to reassure the right hon. member—

Some hon. Members: Oh, oh!

Mr. Trudeau: Really, I am astounded to hear all the oh, oh's from the Conservative party members, Mr. Speaker. Our position is that if any law of a provincial or the federal government is anti-constitutional, it is up to the courts to decide rather than for the federal government to disallow, any more than it is for the Imperial Parliament to disallow provincial laws.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: In other words—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, I have to interpret the Prime Minister because the ambiguity of his statement requires some clarification. I ask him whether any province is to be allowed to defy the constitution when there is no recourse against this kind of thing in the courts as the government argued in the language bill appeal raised by former Mr. Justice Thorson?

[Mr. Speaker.]

TRADE

COPPER—SUGGESTED PROTEST TO JAPAN CONCERNING EFFORTS OF JAPANESE BUYERS TO CHANGE CONTRACTS

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources in connection with the document he tabled today regarding a study of the contractual relations between Canadian copper concentrate producers for the Japanese market and Japanese buyers. Many of the British Columbia producers are in my riding. I should like to know whether the minister will make a formal protest to the Japanese government concerning the efforts of the Japanese buyers to change established agreements?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the Telex indicated, we have asked the Canadian copper producers not to take any further steps to renegotiate contracts with their Japanese counterparts until April 30 so the government may have an opportunity to examine the proposed changes in the contracts. We look very seriously on any prospect of unilateral and retroactive changes in basic contractual arrangements with another trading partner.

Mr. Speaker: The Chair will recognize the hon. member on a supplementary question and then the hon. member for Brandon-Souris, who I believe also has a supplementary question.

Mr. Marchand (Kamloops-Cariboo): Mr. Speaker, I should like to ask the minister whether during his discussions with the copper producers in British Columbia and other areas he will explore the possibility of establishing a copper smelter in British Columbia in order that these concentrates can be processed at home?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I suggest that the hon. member's supplementary question is rather in the form of a submission.

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POST OFFICE

POSITION OF NEGOTIATIONS WITH UNIONS ON NEW CONTRACT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question relates to another subject and I address it to the President of the Treasury Board. In light of the fact that the contract with the postal unions expired yesterday, can the minister inform the House whether the government and the postal unions are near agreement on a new contract and, if so, when will a statement be made on this important matter?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I would ask the Postmaster General to reply to this question as he is more closely in touch with the matter than I am.

• (1440)

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, we know the contract expired yesterday, but it is normal for negotiations to continue and I can assure hon. members that the climate has been excellent. We do not necessarily anticipate signing the agreement in the immediate future, but I can assure hon. members that things are going quite well.

[*English*]

Mr. Dinsdale: Mr. Speaker, can the Postmaster General assure the House that there will be no work stoppage during the continuing negotiations and, in particular, can he inform the House whether the government has made a specific offer on wages and job security to the postal unions?

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, I do not think it would be in the public interest to release any statement at all concerning negotiations which are being held in camera.

* * *

[*English*]

PUBLIC SERVICE

REQUEST FOR TABLING OF BRYDEN REPORT ON STAFF RELATIONS ACT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Privy Council. In view of the strong representations made to the government by the Professional Institute of the Public Service of Canada and also by the Public Service Alliance of Canada for the tabling of the Bryden report on public service legislation, can the minister say whether this report will now be made public?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I can tell the hon. member that it is not the intention of the government to make this report public. It is presently being studied within the government and if there is any legislation to be introduced when that study is concluded it will be introduced, but the report is not to be made public.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, what is the government trying to hide?

Mr. Speaker: Order. I wonder if at this point the Chair might not seek the co-operation of hon. members to give me an opportunity to see some of the hon. members who were waiting yesterday for an opportunity to ask questions. I will return to the distinguished front benchers in a moment. The hon. member for Lisgar.

SUPPLY AND SERVICES

POSSIBLE SHIPMENT OF SUPPLIES FOR NORTH FROM MONTREAL RATHER THAN CHURCHILL

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct a question to the Minister of Transport. In view of the fact that in past years the port of Churchill has been used as a resupply port for the transportation of goods into the north, has there been a federal government decision to originate the northern resupply ships not from Churchill as has been the case in the past but rather from Montreal?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, this is quite a complex matter, one which I do not believe I could now have the opportunity to explain in full. I am contemplating whether it is necessary to make a statement on motions tomorrow in order to clear up some of the misunderstandings, but in any event I will make a statement available to all interested hon. members.

Mr. Murta: Since it was reported on Saturday, March 25, in the Winnipeg *Free Press* that tenders for the contract for sea-lifting from Montreal were to open yesterday, I would hope the minister would make a statement to the House tomorrow so that the matter can be cleared up once and for all.

Mr. Speaker: Order. That, of course, is an additional representation by the hon. member.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF TRANSPORT OF ISRAEL

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I wonder whether I could have your indulgence for a moment to call the attention of hon. members to the presence in the distinguished visitors gallery of a distinguished parliamentarian from Israel, the Minister of Transport for Israel, the Hon. Shimon Peres.

Some hon. Members: Hear, hear!

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TRANSPORT

UPDATING OF YEAR OF MANUFACTURE OF FOREIGN AUTOMOBILES—ACTION TO END PRACTICE

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Transport on a subject of great current interest. In view of the findings of a special committee of the Department of Consumer and Corporate Affairs with respect to the updating of some foreign automobiles, could the minister outline the measures his department is contemplating in order to put an end to this practice, and could he give any information as to the number of vehicles that have been so updated in recent years, say over the last five years?

Mr. Speaker: Order. I have some doubts about the procedural acceptability of the question. The first part of the question invites a statement that should normally be made on motions. The second part of the question seeks statistical material which should not be sought during the question period. I would hope the hon. member might consider raising the matter at the time of adjournment this evening.

* * *

OIL

POSSIBLE ROUTING OF ARCTIC OIL THROUGH MONTREAL—DELIVERY OF ALBERTA OIL TO MONTREAL BY PIPELINE—GOVERNMENT POLICY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I would like to direct a question to the Minister of Energy, Mines and Resources. In view of the provocative statements made to the Richelieu Club in Montreal on March 22 by the Minister of Indian Affairs and Northern Development, suggesting that Arctic oil be routed through Montreal, I wish to ask if this is an expression of new government policy, and would the minister explain it in detail to the House?

Mr. Speaker: Order, please. I would hope that the question could be asked directly. The hon. member knows that questions should not be asked about statements made outside the House. However, we can assume that it was asked directly and allow the minister to make a brief reply.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it is a very interesting suggestion. I would like to take a look at the full text of the speech before commenting.

Mr. Paproski: Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Can we assume that the government is now prepared to authorize a western pipeline to Montreal for the delivery of Alberta oil to the east?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

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UNEMPLOYMENT INSURANCE COMMISSION

INQUIRY AS TO APPOINTMENT OF NEW CHAIRMAN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question, in the absence of the Minister of Manpower and Immigration, is addressed to the acting minister. In view of the recent appointment of the chairman of the Unemployment Insurance Commission as Deputy Minister of the Department of Manpower and Immigration, can the minister inform the House when a new chairman of the commission will be appointed?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Not at present, Mr. Speaker.

[Mr. MacKay.]

Mr. Nystrom: Mr. Speaker, can the minister inform us whether or not this means that the services of the manpower department and the Unemployment Insurance Commission will function together or will be merged as they were several years ago?

Mr. O'Connell: They certainly will be functioning in an integrated manner, but that should not lead to the other conclusion implied in the question.

* * *

OIL

ADJUSTMENT OF LEVY FOR POLLUTION CONTROL TO PERMIT CONSTRUCTION OF SUPERPORT AT LORNEVILLE, N.B.

Hon. Hugh John Flemming (Carleton-Charlotte): Mr. Speaker, I have a question for the Minister of Transport. Is the minister in a position to inform the House that his conversation with Premier Hatfield of New Brunswick has resulted in an adjustment of the oil levy, which will result in work being resumed without further delay on the deepwater superport at Lorneville in Charlotte County, New Brunswick?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I had what I am sure were mutually satisfactory meetings this morning, first of all with the mayor of Saint John and, second, with the premier of New Brunswick who, in real bipartisan fashion, brought along the Leader of the Opposition. So they were very amicable meetings all the way through. I made some proposals to him. He is now taking them back to consult with his colleagues and presumably with the oil companies concerned. These proposals essentially maintain the integrity of our original position as to the need for a levy, but we have made some concessions which I hope will make it possible for him to get on with the project.

* * *

ENERGY

POSSIBLE RESUMPTION OF DISCUSSIONS WITH UNITED STATES—PROPOSED MACKENZIE VALLEY GAS PIPELINE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. In view of the fact he is going to Washington this week, is it his intention to discuss the resumption of energy discussions between Canada and the United States and, if this is so, would he be prepared to make a statement in this connection tomorrow before he goes to Washington?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in answer to the second part of the question may I say I will be leaving early tomorrow morning to go to Washington. The intention is to have a general tour d'horizon with the U.S. Secretary of the Interior on questions of mutual responsibility, a general survey which we hope can provide the basis for further discussions on energy and resource questions.

Mr. Lambert (Edmonton West): In light of statements made by the minister's colleague, the Minister of Indian Affairs and Northern Development, with regard to the construction of a gas pipeline along the Mackenzie River, is the minister in a position to tell the American government that we in Canada are prepared to discuss a Mackenzie pipeline on the basis of the fact that Canada is satisfied one can be built there?

Mr. Macdonald (Rosedale): Mr. Speaker, I intend to point out to the Secretary of the Interior, as has been pointed out by several of my colleagues in the past, that we are in the process of completing studies which indicate that both oil and gas pipelines can be constructed down the Mackenzie River, and also to reconfirm to the Secretary of the Interior our concern about heavy shipments of oil down the west coast which could be the result of a TAPS pipeline.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a supplementary question to the minister. Has he sought to consult with the national or any other Indian organizations preparatory to seeking discussions in Washington with respect to the construction of a pipe line across the north?

Mr. Macdonald (Rosedale): Mr. Speaker, my understanding is that my colleague, the Minister of Indian Affairs and Northern Development, who has that responsibility, has been arranging discussions on this question.

* * *

[*Translation*]

AGRICULTURE

HOGS—SUGGESTED MODIFICATION OF REGULATIONS RESPECTING SUBSIDY PAID TO PRODUCERS

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

A number of pork breeders being not quite satisfied with present regulations on federal subsidies for pork, could the minister tell us whether he is prepared to recommend an amendment to these regulations, for instance lowering the 100 index so that breeders might get more benefits from this assistance policy?

• (1450)

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we do not intend to change or modify that part of the regulations. We are, however, open to look at the wide variation of marketing procedures in order to make certain that every bona fide producer gets paid.

DRUGS

INQUIRY AS TO LE DAIN COMMISSION REPORT ON CANNABIS AND THE LAW

Mr. P. B. Rynard (Simcoe North): I have a question for the Minister of Justice, Mr. Speaker. Is the Le Dain report dealing with cannabis and the law going to be released officially when the House is not sitting and, if not, will the report be tabled in the House immediately after the Easter recess?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, this question should more properly be directed to my colleague the Minister of National Health and Welfare.

Mr. Rynard: Is the Department of Justice now studying a confidential report on this problem?

Mr. Lang: Mr. Speaker, I would have to determine what the hon. member means by "confidential report". The Department of Justice at all times is studying very many subjects.

An hon. Member: One that has not yet been leaked.

* * *

INDUSTRY

PROPOSED CLOSING OF QUAKER OATS PLANT, SASKATOON—PRIME MINISTER'S RESPONSE TO REPRESENTATIONS BY MAYOR

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the request by the mayor of Saskatoon that the Prime Minister ask the Quaker Oats Company of Saskatoon to defer action on the closing of its plant in that city pending discussion with civic, provincial and federal authorities concerning the possibility of continuing the operation of the plant, has the Prime Minister replied to the mayor and can he indicate the nature of his reply?

Right Hon. P. E. Trudeau (Prime Minister): If there has been a message it has not yet been brought to my attention, Mr. Speaker.

* * *

HOUSING

LEAKING OF REPORT ON LOW-COST HOUSING—ACCURACY OF MINISTER'S STATEMENT AS TO RESPONSIBILITY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of State for Urban Affairs with regard to the assertion he made on Friday afternoon regarding the leaking of the report of the task force on low-cost housing when he said that "whatever leaks there may be appear to be from the authors and not from CMHC". In view of the fact the authors have denied that, I should like to know whether the minister has any information upon which to found his statement?

Inquiries of the Ministry

Hon. Ron Basford (Minister of State for Urban Affairs): The advice I am given as a minister, Mr. Speaker.

An hon. Member: Oh, come on, Basford.

Mr. Stanfield: I should like to ask the minister, who made that assertion in the House, whether he can justify that statement or is he prepared to withdraw it?

Mr. Basford: I am not, Mr. Speaker.

Mr. Stanfield: Since the minister is not prepared to correct this statement, may I ask whether he has now made up his mind to release the report?

Mr. Basford: I answered that question on Friday, Mr. Speaker. We are considering all of the various studies and reports that have been submitted to determine which ones are appropriate for publication. Some of the authors are working on various abridgements of them in preparation for publication and until all of that work is done there can be no decision as to which should be published.

* * *

FISHERIES

INCIDENT WITH RUSSIAN SHIP—REQUEST FOR STATEMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, on Friday last I directed a question to the Parliamentary Secretary to the Minister of Fisheries which can be found on page 1128 of *Hansard.* I asked whether the minister could give any details concerning an incident involving the Canadian fisheries patrol vessel *Cape Freels* and a Russian fishing trawler. Since that time I am in receipt of a copy of a telegram to the Minister of Fisheries from the fish association of Newfoundland protesting Russian gang fishing operations which in their opinion represent a threat to the flounder species and a great hazard to Canadian fishermen. Can the minister now report on the incident and the action he has taken to protest this method of fishing to the Russian authorities?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, we have had a careful report of the incident prepared and have made several attempts to contact the captain of the Russian fishing fleet. On each occasion he has suggested that we raise the incident at the next meeting of ICNAF in June. We have sent our fisheries patrol vessel, the *Cape Freels,* to the area, and it has been there more or less continuously ever since looking after Canadian interests in that part of the North Atlantic. We have also advanced an official protest to the Russian embassy through the Department of External Affairs.

STEPS TO INCREASE SURVEILLANCE OF FOREIGN FISHING VESSELS BY ARMED FORCES AIRCRAFT

Mr. James A. McGrath (St. John's East): I have a supplementary for the Minister of National Defence, Mr. Speaker. As a consequence of these incidents have any steps been taken to increase surveillance by aircraft of the Canadian Armed Forces?

[Mr. Stanfield.]

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, fisheries protection vessels are out there and air surveillance is being carried on normally by DND aircraft.

Mr. Speaker: Order, please. There are a number of supplementaries but we should try to make them as brief as possible because we will be running short of time. The hon. member for Annapolis Valley.

* * *

NATIONAL DEFENCE

REPLACEMENT FOR ARGUS PATROL AIRCRAFT

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a question for the Minister of National Defence. In view of the fact that all planes in the Argus Squadrons 1, 2 and 3—it is the patrol aircraft in the North Atlantic—were grounded last week because of structural defects that showed up due to wear and tear and general old age—

An hon. Member: Like the government.

Mr. Nowlan: —has the government made any decision on a replacement for that aircraft? Is it going to do so before those who have to fly it in all types of weather conditions are involved in unfortunate accidents because of the old age of the aircraft?

Hon. E. J. Benson (Minister of National Defence): First of all, Mr. Speaker, I would say that most of the old age is across the House. We still have Tracker aircraft flying. The Argus aircraft were temporarily grounded but they are now completely back in operation.

Mr. Nowlan: Mr. Speaker, my question was whether the minister has made a decision. As far as old age is concerned, we will not worry about that as between the minister and myself because I think it is reflected in the answer from the minister. Is this Minister of National Defence going to start to discharge his ministerial responsibilities and make some decisions so that the military who defend the sovereignty of this country can rely on a basic aircraft without having to worry about whether that aircraft can fly?

Mr. Speaker: Order, please. The minister might reply briefly and then the Chair will recognize the hon. member for Regina-Lake Centre.

Mr. Nowlan: On a point of order, Mr. Speaker, I meant to welcome the minister back because he has not been in the House—

Mr. Speaker: Order, please.

Mr. Benson: Mr. Speaker, you asked me to comment briefly. I will compare my record of attendance in the House with that of my hon. friend—

Mr. Speaker: Order, please. The hon. member for Regina-Lake Centre.

Mr. Nowlan: A point of order, Mr. Speaker. There was a little—

Mr. Speaker: The hon. member rises on a point of order.

Mr. Nowlan: There was a little flak between the minister and this side of the House, Mr. Speaker. However, I hope the minister can give a serious answer to this question because the lead-in time for a replacement aircraft is long overdue. The whole North Atlantic is involved and our NATO commitment. Several bases on the east coast are affected which are trying to discharge their responsibility.

Mr. Speaker: Order, please. The Chair will recognize the minister for the purpose of replying briefly but we have gone beyond the end of the question period. The minister will be allowed to reply briefly.

Mr. Forrestall: He has not been in the damn House for six weeks.

Mr. Benson: Mr. Speaker, first of all the comment was incorrect—

Mr. Forrestall: And you won't be here for another six weeks.

Mr. Speaker: Order, please. Would the minister reply briefly and as directly as possible?

Mr. Benson: Mr. Speaker, I have been trying to answer the question specifically. If my hon. friend would look at what I have said with regard to the Argus and Tracker aircraft he would understand that the question of their replacement is presently being studied and a report is expected in the very near future.

An hon. Member: Three years. That is the way you move, like the tax bill.

* * *

CANADA ELECTIONS ACT

SUGGESTED AMENDMENT RESPECTING CONTRIBUTIONS TO POLITICAL PARTIES

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I have a question for the right hon. Prime Minister on a subject in which I know he has a keen interest. In answer to a question asked earlier this winter he said there would not be sufficient time to bring in legislation on election expenses. Would he now give consideration to bringing in two small amendments to the Canada Elections Act to require disclosure of election contributions similar to the practice now carried on in the Senate and House of Representatives in the United States?

Right Hon. P. E. Trudeau (Prime Minister): I shall certainly take the consideration under consideration, Mr. Speaker.

Mr. Speaker: Order, please. In an effort to try to conclude the previous question the Chair will recognize the hon. member for Gander-Twillingate who wishes to ask a supplementary.

FISHERIES

NUMBER OF FORMAL AGREEMENTS REPRESENTED BY DIPLOMATIC NOTES TABLED

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I ask the Secretary of State for External Affairs how many of the documents he tabled earlier today represent formal agreements rather than an exchange of notes? In the event that none of them do, would he give consideration to consulting with the four Atlantic provinces and the province of Quebec before there is official ratification of these proposed treaties?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the diplomatic notes in this case consist of agreements which are binding upon us and upon the governments concerned. In the case of France, however, the agreement constitutes a treaty and, as I understand it, it is the only one of these agreements that would be subject to ratification.

Mr. Speaker: Orders of the day.

• (1500)

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed, from Monday, March 27, consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. John Gilbert (Broadview): Mr. Speaker, last evening I was making some remarks with regard to criticisms concerning Bill C-170, an act to provide for the payment of benefits in respect of children.

Mr. Speaker: Order, please. In fairness to the hon. member who has the floor, I wonder if the conferences and consultations between hon. members might take place behind the curtains.

Mr. Gilbert: Mr. Speaker, as I was saying, last evening I was voicing my criticisms of Bill C-170, which is an act to provide for the payment of benefits in respect of children. I said that my three main grounds of criticism were, first, that in the act we replace the principle of universality with the principle of selectivity; second, that the act will stigmatize and categorize people earning certain incomes; and third, that since the act is so complex, it will lead to confusion, misunderstanding and resentment.

Some hon. members here no doubt will recall when legislation concerning family allowances was introduced back in 1944. I think the hon. member for Winnipeg North Centre (Mr. Knowles) has said that three members only who now sit in parliament were present when the late

Mackenzie King introduced the family allowances legislation. No doubt they recall the election of 1945, in which the Liberals were swept back to power through the political footwork of the late Mackenzie King. He introduced the family allowances legislation. I am sure that some here will recall the remarks made by the late George Drew concerning family allowances. He said that they were iniquitous. The Conservative party had a hard time living down the label which attached to it as a result of comments like that concerning family allowances. May I also remind hon. members that all members of all parties unanimously voted in favour of the family allowances legislation in 1944. I think it is fair to say that the prospect of family allowances was one of the determining factors that persuaded many of the people in Newfoundland that their province ought to enter confederation.

Between 1944 and the present, there have been no changes in the categories of people who are eligible for family allowances or amounts paid under that legislation, despite sharp increases in living costs between 1944 and 1972. Probably, because the legislation has not been changed, it has been criticized. Some people say that it has lost its effectiveness.

Acting on criticisms, the government prepared a white paper entitled Income Security for Canadians which was tabled on November 30, 1970. This dealt with two areas involving social security: First, old age security concerning senior citizens; second, guaranteed income security for families; in other words, family allowances. I remind hon. members that the white paper was tabled on November 30, 1970. On the following day, the government introduced legislation concerning old age security payments. Under that legislation the government increased the basic old age security payment by 42 cents. Cost of living increments were not to apply to the basic old age security payment. Also, for the first time, the government introduced the guaranteed income supplement for old age pensioners, and the 2 per cent cost of living escalation was to apply to the pension and supplement, when paid together. Mr. Speaker, there we saw the first departure from the principle of universality concerning old age security pensions. The government adopted the principle of selectivity.

May I remind hon. members that, because the government abandoned the principle of universality and adopted the principle of selectivity, many old age pensioners have experienced difficulty in determining their incomes, largely because of the complexity of the regulations. They have experienced frustration in anticipating their incomes for the following year and determining the amount to which they will be entitled. Also, unnecessary resentment has developed among senior citizens, since one group gets only the basic old age security payment and the other group gets the old age security payment plus the guaranteed income supplement. Many say that their basic old age security payment of $80 is a poor reward for their hard work in contributing to the development of Canada. At 65, if they possess certain assets or a certain income, they are deprived of any government pension payment larger than the basic old age security pension of $80 per month.

It can be said that in adopting the principle of selectivity as opposed to universality, the government has led to

divisiveness within the country. Bill C-170 adopts the principle of selectivity instead of universality, the principle formerly adhered to. Last Friday, the minister attempted to show that certain organizations across the country support the changes in the legislation proposed by the government. We must be thankful for hon. members like the hon. member for Winnipeg North Centre. Not only is he the father of procedure in this House—I should say, the expert on procedure—but he is also a man of great patience. He has tremendous knowledge in this field. He corrected the minister when the minister tried to leave the impression that certain organizations supported the legislation. In particular, I am thinking of the Canadian Council on Social Development and the Canadian Labour Congress.

May I put on record again what the hon. member for Winnipeg North Centre said concerning the attitude of the Canadian Council on Social Development towards this legislation. On page 1140 of *Hansard* for March 24, 1972, the hon. member for Winnipeg No th Centre read a recommendation of the Canadian Council on Social Development, as follows:

> The council believes that:
>
> Family allowances should be universal, paid to all families with dependent children as a social right thus avoiding divisiveness among families and any element of stigma. The present program has this feature but FISP would eliminate it.

• (1510)

It took the hon. member for Winnipeg North Centre to set the minister straight with regard to the position of the Canadian Labour Council. It has been said, and it should be repeated, that the approach with regard to the problem as contained in the proposals in the white paper should have been referred to a committee of this House for study.

The minister attempted to answer the criticism on Friday by saying that the Senate Committee on Poverty had studied the question in depth. A matter of this importance should have been referred to the appropriate committee of this House. I am sure hon. members would not have objected if the committee had been comprised of members of the House of Commons and the other place. This opportunity for study has been denied because the white paper was tabled in November, 1970 and to date there has not been any reference to the committee. If we are to ascertain the attitudes and criticisms of organizations across this country, the white paper should have been, and still should be, referred to the appropriate committee so there would be an input from the many concerned people who are expert in the field in order to obtain the best possible legislation.

The change from the principle of universality to selectivity will create a divisiveness that is not worthy of pursuit. It will create a divisiveness between persons getting family allowances and those who are not. It will divide us into haves and have-nots. It will make the not-so-poor pay for the poor. If this is so, we should hesitate to proceed on a principle that will create divisiveness. I respectfully submit that the change from universality to selectivity will obtain that result.

The second point of criticism is that the act stigmatizes and categorizes people on low income. Poverty is a relative term these days. I can recall many members, myself

included, pleading poverty at the time the salaries of members of the House of Commons were increased. I am sure it can be said that poverty is a very relative term. We can have poverty which is a denial or absence of the basic living needs of people and cultural deprivement or spiritual impoverishment can be included in the general definition of poverty.

The Economic Council of Canada made a study of poverty. It found that the basic minimum income for a single person living in Canada today would be approximately $2,000 in order to keep him above the poverty level. The basic minimum income for a married couple would be between $3,500 and $4,000. The astounding fact is that 20 per cent of all Canadians live below the poverty level. This is why we have to look at this problem with all the seriousness and concern we can give to it. I have said that it will stigmatize people according to their income and divide us into the haves and have-nots. With regard to family benefits, it will make the not-so-poor pay for the poor.

One of the proud facts of being a Canadian is that regardless of nationality, race, linguistic or cultural differences, we categorize people as Canadians. We create unity amongst all people living in Canada. In fact, one of the clarion calls of the Prime Minister (Mr. Trudeau) during the last election campaign was unity. I respectfully submit that the programs we are developing and devising will not create unity in Canada, but disunity because of the divisiveness that will be created and the stigmatization that will be imposed on people according to their income. Surely, no man should be judged by the income he obtains. He should be judged on the basis that he is a Canadian and that he has a basic right to employment, education, medicare and all those things that make us essentially Canadian. To develop legislation which divides rather than unites is not worthy of this government.

It can be easily said that this may be an attempt by the government to deal with the problem of poverty by giving people with low incomes certain benefits which will close the gap of poverty. This is a very small step. The major step we as Canadians have to take is legislation to provide full employment, housing and medicare. These are the things that will attack poverty. The measure providing family allowances, even though it is a very minimal step, will do very little to close the large gap that exists between the income levels of Canadians today. Not only am I opposed to the legislation on the ground that it imposes selectivity rather than universality, but it imposes a stigmatization on poor people. This brings me to my third point.

The act is so complex that it will lead to confusion, misunderstanding and resentment. Mr. Justice Hart, the chairman of the Law Reform Commission, said last week that the laws of Canada should be so expressed that they are understood by all Canadians. I am sure all members will agree with that proposition. This government has brought forth legislation so complex that it makes it very difficult for any Canadian to understand it fully. Need I remind hon. members of the Old Age Security and the Guaranteed Income Supplement legislation? I also remind hon. members of the tax bill that we recently passed. We now have the family allowances bill which is very complex. I have had an opportunity to look at the bill. I have found it very difficult to follow. However, I have received some encouragement.

With regard to the complexity of the bill, the minister said last Friday, as recorded at page 1133 of *Hansard*, and I quote:

> The white paper suggested that benefits might be reduced by $1 per month per child for each extra $500 of income. We find after discussion with various people that a provision of these lines might act as a disincentive. The plan, therefore, calls for an adjustment of 30 cents for each $100 extra of income.

He then set forth the principle. He said:

> To make benefits selective, an income floor of $4,500 is established below which full benefits will be paid and above which benefits will be reduced as income increases. The income floor is raised by an additional $500 for each extra child in the family. The ceiling of cut-off point for benefits depends upon the number of children, their ages and the reduction rate.

That is the basis on which the allowances will be paid. He also said and I quote:

> The scope of the new FISP proposals is such that it replaces both family allowances and youth allowances. The plan takes into account the number and age of children in a family. As far as coverage is concerned, all children under 18 are covered. As far as benefits are concerned, I have already indicated what they will be. In connection with the deduction as income rises, I have indicated that benefits per child are reduced in one-child families with incomes above $4,500 a year and in two-child families with income above $5,000 a year. The income floor rises by $500 for each extra child. The plan introduces a reduction rate of 33 cents per child per month for each extra $100 of income, or $1.65 for each $500, above the floor set for families at that size.

• (1520)

Is it any wonder, Mr. Speaker, that it takes almost half a page to set forth the criteria? The minister went on to say:

> The maximum income in one-child families beyond which no benefits are paid is $10,560 if the child is between the ages of 12 and 17 and $9,045 if the child is younger than 12. In the case of two-child families the figures are $11,060 and $9,545. For three-child families, if the children are aged between 12 and 17—and there is a mixture here between 12 and 17 and under 12—the figures are $11,560 and $10,045, and so on by $500 intervals. I repeat that FISP benefits are not counted as taxable income.

Then, Mr. Speaker, in a moment of graciousness, he said:

> The House will perhaps be interested to hear what is counted as income in the determination of benefits. The income of a person includes all items of income subject to tax, plus unemployment insurance, scholarships and bursaries, adult training allowances and Canada Pension Plan and Quebec Pension Plan, orphans and dependant children's benefits. It does not include social allowances based on a means or income test.

Further on, he says:

> Options will be permitted allowing the substitution of an estimate of income in the calendar year of 12 times the average monthly income in the remainder of the current calendar year instead of being based on the previous year's income as is the usual case.

Mr. Speaker, it has taken me about five minutes to set forth the criteria on the basis of which family benefits will be paid. Under the 1944 act, the criterion was simple. If a person was of a certain age and fell into a certain category, a definite amount was obtained. This was understood by all Canadians. Under the new system it is almost impossible to determine whether a family qualifies or not,

whether the income, details of which are submitted, is sufficient to qualify one for benefits. I have never seen such a hodge-podge of rules and criteria. There is no question we shall encounter many difficulties, not only in relation to the act itself but in relation to the regulations which will follow.

There has been an outcry across Canada against the system of calculation of income which is being adopted in connection with UIC payments. Without doubt there will be similar protests concerning the method the minister proposes to use to determine whether young people qualify under this legislation and how much they are entitled to receive. Proposals of this type are not worthy of the government. One of the first objects we should seek to realize is clarity when it comes to legislation. The legislation before us will create division as a result of the change from the principle of universality to the principle of selectivity. It will have the effect of stigmatizing people whose incomes are low. It will introduce unnecessary complexity into the question of determining who should qualify for benefit.

It is for these reasons I have set forth my criticism of this bill. I hope the government will decide not to act at this time but, rather, they will agree to refer the white paper which was tabled in 1970 to the appropriate committee so that it might be studied in depth, enabling a bill to be presented which would be understood by all Canadians.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am tremendously interested in this legislation, not because I have ever benefited from family allowances personally but because of the circumstances connected with the bringing into effect by the Right Hon. W. L. Mackenzie King of the family allowances legislation in 1944 and 1945. I think I can speak dispassionately upon the subject of social security because I am one who has not accepted the old age pension, believing that the contribution I had made was not in keeping with what the return would be if I were to collect it. I can, therefore, speak with some objectivity concerning the bill before us. We note there have been a great number of changes in the present bill as compared with the bill introduced last session under the number C-264.

I look back to 1944 and 1945. I listened the other day to the hon. member for Winnipeg North Centre (Mr. Knowles) telling us what took place at that time. He pointed out that only three members of the present House were here at that time the vote took place. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was a member at that time, as I recall it, but left shortly for the pastures and power in the Province of Saskatchewan. These things bring to mind the attitude of the Conservative party at the time. Personally, I supported from the very beginning the principle of family allowances. There were some who said it was socialism. I was able to indicate that I did not believe socialism and social security to be synonymous, as is often claimed, or, indeed, on a par with that, that Liberalism and liberty were synonymous.

Some hon. Members: Oh, oh!

[Mr. Gilbert.]

Mr. Diefenbaker: Both these myths have been dissipated in the intervening years.

I wonder why the changes have been made in the bill. I shall be interested to hear the minister. As it happens, there are only two ministers in the House at the present time, an indication of the degradation of this institution as a place in which, as a result of argument, changes can be brought about. In the days I have just been recalling, Mr. King was present a great deal of the time, despite the fact we were in the midst of a war.

An hon. Member: He is probably present now.

Mr. Diefenbaker: He was present and he listened to arguments made by members of the opposition with respect and regard. If they were fruitful in content, they became embodied in the legislation. But that is all over now. The legislation is fixed up in the East Block by civil servants and that is all there is to it. This is the reason parliament is falling into desuetude. The present Prime Minister (Mr. Trudeau) has shown his disregard for parliament over and over again. This to me is one of those things which represents a situation that is dangerous to Canada and its freedom. For when this institution dies, freedom dies.

• (1530)

I go back to the bill that was introduced on September 13 last. I should like to know from the minister what kind of political legerdemain has been going on. Is it the result of representations made by the provinces? Why these changes? I intend to refer to a most striking example of how the constitution can be degraded, with the Prime Minister of this country passing it off, as he did. I refer to a matter that strikes at the very heart of the institution of parliament and of the legislature of the province of Quebec, or any province, namely that the oath of allegiance shall be removed without there being a constitutional amendment.

When the legislation was originally introduced it was gone into in an exceptionally masterful way by the hon. member for Simcoe North (Mr. Rynard). The last hon. member to speak analyzed this legislation in a way that showed he had given a great deal of study to the subject, yet there was no minister here to listen. He made a worthy contribution, and when a worthy contribution is made, from whatever part of the House, it should receive the attention of all parts of the House.

The Family Allowances Act that was originally introduced, the Youth Allowances Act, and Bill C-264, had one principle in common. Bill C-264, introduced last fall on September 13 and thrown on March 15 into the ash can of desuetude, had about it a different principle, a different philosophy, a different legal concept from that now substituted in the present bill. Nowhere has there been an explanation by the minister. At page 1133 of *Hansard* for March 24 last he said this:

FISP—

I do not like that abbreviation. Somebody is liable to think the "P" is an "H".

—benefits will provide a basic income for each child upon which can be built additional supports as deemed appropriate by provin-

cial or municipal authorities. We know that unemployment insurance does not make any special provision for children. Neither do old age security, the guaranteed income supplement, the Canada Pension Plan retirement pension or war veterans allowances.

He might have added: "Neither does FISP".

Section 5 of the Family Allowances Act as enacted by this parliament provides:

The allowance shall be applied by the person receiving it exclusively toward the maintenance, care, training, education and advancement of the child—

That was the concept that moved Mr. King. Subsection (1) of section 5 of the Youth Allowances Act provides:

An allowance payable to a parent in respect of a dependent youth shall be applied exclusively for the care, maintenance, education or advancement of such youth.

Clause 5 (2) of Bill C-264 introduced last session—see the great change that took place here—provided:

A benefit shall be applied

(a) in the case of a child referred to in paragraph 3(1)(a), exclusively toward the maintenance, care, training, education or advancement of the child in respect of whom it was paid, and

(b) in the case of a person referred to in paragraph 3(1)(b), exclusively toward the maintenance, care, training, education or advancement of the person in respect of whom it was paid in such manner as is prescribed by regulations,

Why were the trust provisions for the benefit of the children taken out? Why has this change come about? Those provisions do not appear in the present bill. Instead, this bill takes away the vested right of the children, a right that the minister said—and wrongly said—was the only right they now possess. What does this bill propose to substitute? It proposes outright grants to adults. The children become part of a formula upon which the right of the adult is based and calculated.

I suggest there is something behind this. Negotiations have been going on with the premier of the province of Quebec since the Victoria charter. Did this suggestion come from him? If not, from whom? Clause 5 provides that the recipient of an allowance shall be the parent or other authorized person. The definition of "family" and "parent" refers to the child as being in the custody and control of such person. Again I ask, why was this change brought about? This is a complete abnegation and denial of the basic principles upon which the family allowance legislation and the other legislation, including the bill introduced last September, were founded, and properly so.

One may wonder when this legislation is going to come into effect, whether before or after the election. There is a provision which states it is to come into effect on September 1. I dislike having to take a different view from that expressed by the commentator Mr. Charles Lynch, who has keyhole opportunities to make prophetic utterances. The other day, when the Prime Minister was talking to some youngsters at a collegiate, Mr. Lynch was quite certain the election would take place on October 4. I do not believe that. Some 1,050,000 Canadian families will go off family allowance, so do you think, Mr. Speaker, that this government is going to bring in legislation that is made effective before the election so that those people realize that they are out?

Mr. Bell: They are not that stupid.

Mr. Diefenbaker: On the other hand, by getting the legislation through—and I am always one who believes what the government says, to an extent—they will be able to go to two million people and say to them: "Look at the tremendous amount you are going to receive". Less attention will be paid in the Liberal literature to the 1,050,000 Canadians who are going to get nothing than to the tremendous magnificence that will have to wait only for the election result.

In connection with the so-called, misnamed, two price system, the cheques will be going out within the next three weeks, and they will be just like manna from heaven. Therefore, my prediction—and the Prime Minister has not even let his backbenchers or cabinet know when the date is going to be—is that this bill is convincing evidence that the election will not be postponed until fall, despite the fact that I am told that Liberal members from some parts of Canada, even including British Columbia, would like the election in the fall. Those from the province of Quebec would like it earlier, though the Ontario Liberal members would not really like it at all. I am not going to go into particulars of the legislation because, as I say, that has been covered well by the hon. member for Simcoe North and other hon. members who have spoken. I do ask one thing: Why the fixing of the ceiling at an income of $10,000?

• (1540)

Mention was made by the last hon. gentleman who spoke of the intricacies of the wording of this bill. I have never seen so many words chasing one idea in such a way that nobody knows what the idea is. William Jennings Bryan was one of those who used a multiplicity of words. When somebody said he was going to be defeated in the election, instead of saying do not count your chickens before they are hatched he said, "Do not compute the totality of your poultry population until all of the manifestations of incubation have been entirely completed". That is an example of the way this legislation is worded.

I believe that with the tremendous increase in the cost of living, and the prophesy made the other day by the Governor of the Bank of Canada that we are apparently just starting up the wall of inflation, in a matter of two or three years $10,000 will be a basic level; indeed, it will be approaching the poverty line. I think the amount is entirely inadequate as a ceiling and it should be raised, otherwise many needy people across Canada, on the basis of the expected tremendous cost of inflation, will be denied a fair deal.

What is behind the wording in the bill? I took it on myself to read the correspondence in connection therewith tabled the other day by the Prime Minister. A letter from the Prime Minister was sent to the Premier of Quebec and other premiers. I have not the time to go into lengthy detail, but parts of the letter are worthy of being read. It provides for a new system of family allowances for Quebec and those provinces which accept it. It proposes to bring about tremendous changes in what has been constitutionally feasible up to the present time. Page 7 of the letter reads:

Sir:

As you will appreciate, what is contemplated here is a major adjustment in the federal approach to an important income security measure established by parliament more than twenty-five years ago.

This bill, the letter reads, would

—introduce a degree of flexibility in relation to provincial conditions that has been hitherto unknown. It would permit provinces that so wished to move toward an integrated system of family allowances within their boundaries, while still maintaining certain general standards for payments to poorer families. I think the plan would meet the basic requirements necessary for the government of Quebec to establish the integrated system of family allowances that it wishes to introduce. I realize that such arrangements would be as temporary as any statute. But if a constitutional guarantee were needed, this could be contemplated as indicated in the next paragraph.

While the immediate federal proposal relates to the family allowance program, the principles involved are clearly capable of extension to other income support programs.

What has happened and why the change in the wording of parts of this bill since last fall? What has taken place that brought about so important a change in such a short period of time? I can only believe it is because Premier Bourassa said he would not have anything to do with the Victoria Charter unless the government capitulated on the subject of family allowances and other social security measures. The government first said it would not do that. Mr. Speaker, I find it difficult to understand why many of the provincial premiers accepted the Victoria Charter. I suggest that the Premier of Quebec was justified in preventing the implementation of that charter, even though he did so on grounds I would not necessarily support.

What would happen under this charter had it come into effect? I ask this because of the statement made today by the Prime Minister in answer to a question relative to the position being taken by the province of Quebec in abolishing the oath of allegiance to the Queen. From now on, apparently anything can be done to the constitution today. It can be emasculated, even castrated as long as whatever is done will bring about votes in the opinion of the Prime Minister of Canada.

Where is the constitution today? I took strong objection to the language bill, not because of its terms but because it represented a constitutional amendment brought in by the back door through a statute of parliament. The government realized it could not secure passage of a constitutional amendment through which would require the agreement of all the provinces of Canada, therefore the language bill was introduced. I have no apology to make for opposing that bill on that ground, and events since have shown that the one argument I advanced, that nobody could challenge it in the courts, was true. The then Minister of Justice, now the Minister of Finance (Mr. Turner) said it could be done, but I said it could not. As soon as there was a challenge by the former Mr. Justice Thorson the government of Canada argued that a private person had no status to take action and succeeded in the courts. That constitutional amendment brought in by statute put an end to the British North America Act and its amendment constitutionally for all time to come. Now, we have the fruit of that family tree.

The FLQ and the Parti Quebecois did take strong objection to the oath of allegiance, and joined with the Liberal

[Mr. Diefenbaker.]

government of that province to abolish the constitutional right and the duty that is provided for in the constitution, Section 128 of the British North America Act. This is part of the picture epitomized in this legislation and the changes which have been made in the last few months. This section reads:

Every Member of the Senate or Houses of Commons of Canada shall before taking his Seat therein take and subscribe before the Governor General or some Person authorized by him, and every Member of a Legislative Council or Legislative Assembly of any Province shall before taking his Seat therein take and subscribe before the Lieutenant Governor of the Province or some Person authorized by him, the Oath of Allegiance—

That is the provision in that constitution and it cannot be tinkered with by any province, even though the government of Canada under the present Prime Minister has cut through the constitution as though it did not exist. When I asked him today whether or not this action, which is a complete denial of Section 128 and the whole principle of confederation as embodied in the British North America Act, was wrong and whether he would instruct or advise the Lieutenant Governor of the province of Quebec, the Queen's representative of that province, to withhold royal consent pending consideration by the Governor in Council, he gave an answer of sorts. I cannot describe it, but with that nonchalance which used to be regarded as wisdom contended that disallowance is not being used any more. He claimed that it is as dead as the right of veto of the Imperial Parliament over the Parliament of Canada. Is it?

• (1550)

In respect of the Lieutenant-Governor's discretionary powers and the executive process of the Crown I will read from the comments of J. R. Mallory. The government of Canada asked the Lieutenant-Governor of the province of Alberta to withhold Royal Assent to legislation such as the Bank Act and other things of the time. Mr. Mallory summarizes as follows:

The revival of the power in Alberta in 1937 caused general surprise. It had become widely believed that the power had become constitutionally obsolete in the same way that the position of the governor general as an imperial officer had disappeared as a result of the achievement of Canadian autonomy. So general was the uncertainty that the federal government referred the whole question of the scope and validity of the powers of disallowance, reservation, and withholding assent to the Supreme Court in the autumn of 1937.

The Supreme Court had no difficulty in finding that these powers continued to subsist, unaffected by changes in constitutional conventions, and the powers were equally valid, whether the legislation was *intra vires* the provincial legislature or not, and that the only limitations on the discretion of the lieutenant-governor were instructions from the governor general.

Now, we see the present constitutional picture being unveiled. Today is a dark day in the history of Canada's constitution when the Prime Minister, the Queen's first minister, says we will let the provinces do whatever they want to do whether or not it is constitutional and will not ask for reservation being made because to do so is obsolete. The Victoria Charter was turned down as a result of Premier Bourassa's opposition. I am glad he did so. His objection to that charter is proved in the present change in the bill as introduced last September.

The Victoria Charter would have hamstrung Canada's future for generations to come. The Bill of Rights would have been reduced to virtual innocuity. The Supreme Court of Canada would have been a body in which judges would be expected to decide cases on the basis of geographical location rather than on the law. There would be no chance for the provinces of Manitoba or Saskatchewan to ever have anything to do with the amendments because they would have to have 50 per cent of the population of the four western provinces in order to have the right to object to or advance constitutional amendments. We will never, in those provinces, have 50 per cent of the population with the populations of Alberta and British Columbia increasing as they are. This is what is happening to our constitution. Finally the protection of the English language under the British North America Act would have been removed. This legislation shows a fine Machiavellian hand. I shall not say an Italian hand. We have the answer given by the Prime Minister of Canada today that this government does not intend to do anything about it and that from now on the provinces of Canada will be free to make any changes they desire in the constitution. This day represents one that will be looked back on in the years ahead as the natural culmination of a disunited Canada with the monarchy being undermined. The constitution will not be in existence. Every Father of Confederation, including the French Canadian representative, recommended or demanded the preservation of the monarchy.

The second fruit of the family tree is the changes in this bill. In order to obtain this agreement in respect of the Victoria Charter which I say would destroy the hope of one Canada, one nation, the erosion of this constitution is continued with the approval of the Prime Minister. This legislation is introduced in order to provide an excuse to secure the support of a province which took a firm, honourable and reasonable stand. Over the years I have been here I have never known the constitution to be trampled on in the way in which it is being trampled on today. Shades of Mackenzie King and St. Laurent! Where do we go?

Mr. Steven Otto (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I was very pleased to listen to the right hon. member for Prince Albert (Mr. Diefenbaker). The thrust of his speech ws very impressive. However, as the right hon. gentleman spoke, I wondered whether that part of the constitution was so important that it must override the benefits which are to be provided for children. Do we deny benefits to children in order to preserve a constitution which is changing? The right hon. member knows it is changing. To sit here and say that the constitution will never change just does not make any sense because of the changing relationships with the provinces. The provinces are assuming certain jurisdictions with the federal government just as the federal government is also assuming certain provincial jurisdictions. I think this House should accept that fact. The right hon. gentleman nods his head. He knows I agree with him on the value of a constitution but it must be a new one. There is no sense in putting up our back and saying we will keep it the way it is, because there will have to be a new one.

What we want is a constitution which is relevant to our times. If I correctly understand some of the speeches made on this bill, I believe the opposition is really based on the fact that the universality of the old law disappears in the selectivity that this bill now brings about. I could be more cautious politically at this time, if indeed we are to have an election, and say that everyone will get their little benefit. However, I believe we should be honest. I am the first to agree that some people will lose the benefits, while others will get more. The right hon. gentlemen from Prince Albert mentioned the preamble in the 1944 bill to the effect that family allowances were meant to assist in the education, the clothing and the welfare of children. In 1944, our economy had not yet reached a stage which would give us perfect security in growth. We anticipated a large increase in the population of children. We knew what the situation was. The Liberal government then introduced a measure which would be of assistance to children. It was assumed that the money received by the mother would be laid on the table in the form of food, or else used to provide clothing. Education was also an important factor because the cost of education was going up, and after the depression not everybody had the necessary money.

• (1600)

Let us look at the position today. How many mothers think that this is money for the children? How many of them think it is a reward to them for having borne children, pin money that they don't have to get from their husbands? We have had a change in emphasis. Now, we provide substantial aid for education, at the federal, provincial and municipal level. We also have provided assistance for housing and many people no longer have to worry about housing. We have welfare plans and widows' allowances. All of these things have been substituted for the dread, the panic and the anxiety that was with us in 1944.

Hon. members opposite say we should continue the scheme. I ask continue what? Should we continue taking money out of one pocket of the taxpayer, and putting it back in another pocket, charging him a few pennies for administrative costs in between? We said we were going to be a reform party, a reform government. We said we would make changes. The real change here is that universality will no longer apply. We have to give more to those people who are in need, and we must discontinue paying those who are really not in need.

From the evidence that I have gathered over the past four or five years, I know that in the lower income bracket the family allowance is used as part of the general household budget. In the higher income brackets it may be used to build an education fund for the children, but the majority of mothers in this group tend to consider it as their own, as largesse from the government to use for their own purposes, for hairdo's and all sorts of things. The government is not some kind of deity that gives out money. This money comes from the taxpayers' own pockets. If we increased the amount of family allowances under the old scheme, the taxpayers would have to pay out more money. Again, Mr. Speaker, the taxpayer is beginning to resist the constant and increasing drain on his pocketbook.

It is not true to say that this bill will not hurt some people. But I do not mind telling people in the higher income brackets that they will not continue to get family allowances. Increasing the tax burden by taking money out of one pocket and putting it back into another just does not make sense, and that would be the only alternative.

For the NDP to regret the disappearance of universality is a reversal of their former stand. I point out that it was not the present government that wanted this change. Since 1963 and 1964 there has been a constant demand in the press. At meetings everywhere people were saying that we had to change the family allowance scheme. We are changing it now, Mr. Speaker. But a law cannot be changed in a way that will affect only somebody else. A lot of people over the $10,000 salary level will be affected. I have no qualms at all about saying that I am proud of this bill. It is something that had to come.

Those people who say we don't dare bring this measure forward because an election is coming are advocating a return to the old Tammany Hall style politics, when politicians always warned, "Don't do anything before an election. Keep nice and quiet. After the election is over, then you can throw the book at the people." I think people now want to know what the situation is, and what it will be. Despite my great respect for the right hon. gentleman from Prince Albert, I do not think that the date this legislation comes into force has had, or will have, any bearing on the Prime Minister's decision to call an election. I do not think he is that kind of Prime Minister. As a matter of fact, the people of Canada know he is not that kind of politician.

Mr. Lambert (Edmonton West): Come on, Steve. You had better take a drink of water or you will have a tough time swallowing that one.

Mr. Otto: I think what irritates members opposite now, especially those people who have been members for a long time, is the fact that I tend to call them old-time politicians. This applies not only to those on the other side, but to those on this side as well.

But, Mr. Speaker, I have found that the new Canadian, the present-day Canadian is more educated, more sophisticated. He wants to be told exactly what you are going to do. He wants to discuss it. Of course, he may complain. Any number of people will complain. Nobody likes change thrown at them all of a sudden. But on reflection, people will admit today that this bill is the only way to deal with this matter. By and large most Canadians will agree that universality no longer applies to such programs as old age pensions, supplementary allowances, family allowances or youth allowances. They know that to continue universality makes no sense. I think that today they will accept the idea of selectivity. They will accept the fact that there are children in Canada who do need more help.

If they, themselves, can do without this help they are pleased that they have the means, that they have the security, to do without it. Despite all the surface complaints, I have a deep conviction that Canadians will not object to this measure. I have confidence in them. I believe that when they see the courage of the government in putting this bill forward, they will not take away their support but show their own confidence in honesty and truth.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I am pleased to have the opportunity to speak at this particular stage in the debate and to follow the hon. member who has just spoken. I have to disagree with just about everything he said. I cannot think of a more opportune moment to enter a debate such as this, because what the hon. member is endeavouring to say in a philosophical way is that the government can continue to tax the middle income group to an ever-increasing degree and anticipate that they are going to produce the revenues needed to look after everybody else in the nation. In other words, the harder you work and the more you earn, the greater the degree of discrimination practised against you by this government. If the hon. member thinks that people will continue to put up with this sort of government philosophy he is in for a shock when the election comes, whether it be this spring, this summer, this fall or next year.

• (1610)

I think it is a crying shame that the principle of universality in the family allowance measure is being destroyed. I think it is a crying shame that once again the middle income group has found that the government's legislation, as was the case with the so-called tax reform measure, is going to discriminate against them and make them pay the fiddler without allowing them to dance. I think the time has come in this parliament when members should speak out and try to stop those people who are making this country what it is today. If we are moving ahead, if things are getting better, by and large it is the result of the efforts of the people who are discriminated against by this sort of legislation.

Unfortunately, for too long these people have felt that the government is like a bloodsucker, a real leech. Every time it is looking for funds for the various programs that it feels may have some political value, it lands on them and draws more blood. What this government does not appear to realize is that it also draws more incentive out of these people. The more it draws out, the less is left in the nation and, basically, this is the reason we have over 600,000 unemployed in this country. People are getting sick and tired of working so that they can turn over most of their earnings to the government to help out those who, for one reason or another, are not able to look after themselves.

I believe we have gone well beyond the limit in taxing the middle income group. I believe we are destroying the incentive of this nation by this type of legislation, and I believe the end to this type of philosophy had better come in a big hurry or we will find ourselves in an even worse mess than we are today. God knows, it is difficult to imagine how we could be in a worse mess.

Mr. Perrault: Oh!

Mr. Coates: Mr. Speaker, the other thing that bothers me a lot is that once again the government of Canada is involving itself in a form of means test. There is a philosophy in Canada that abhors the means test or the needs test or whatever you want to call it because it is distaste-

ful. We can go back to the 1930's if we so desire—and this government has taken us there in many ways, certainly as far as unemployment is concerned. We can recall how the dignity of the individual was destroyed when there was no work and he was subjected to the investigative procedures of municipal, provincial and federal governments in order to get enough bread on his table for his family.

This type of legislation is taking us back to that philosophy. When the Canada Assistance Plan was before the House I spoke up because it embodied the same type of philosophy, the investigation of the individual to determine whether he should get what he requires to keep himself alive. Once that principle is adopted, there is a proliferation of bureaucracy. In the end, as you destroy universality by saying there are some people receiving benefits who do not require them without adding the rider that they are entitled to them because the tax they pay gives them that right, you do two other things. First of all you destroy a person's dignity and, secondly, you take away his liberty. Every time a bureaucrat walks into a home and wants to know this and that, the individual has lost certain inalienable rights. I oppose this, Mr. Speaker, as strongly as I can but this is what is happening in Canada over and over again as a result of legislation of the type proposed.

In a couple of years after this plan comes into effect, after we have eliminated over a million people from the family allowance rolls, after we do all that and make an assessment of how much it costs, we will probably discover that it is costing more to be selective than it would have cost to give it to everybody.

Mr. Rynard: That is true of welfare right now.

Mr. Coates: The hon. member for Simcoe North (Mr. Rynard) says this is true of welfare right now, and I agree with him. This is the most damnable thing about this type of legislation, the minute you bring in selectivity and eliminate universality you interfere with the rights of people and bring in bureaucrats by the hundreds of thousands who go around investigating people and building up files to which other people may have access. These people are subjected to all kinds of investigative procedures which are very destructive.

The hon. member for Sainte-Marie (Mr. Valade) says you delay the procedure and that is correct. You delay people from securing immediately what they have a right to while bureaucrats determine whether they should approve or disapprove. Members of parliament will not vote against family allowances, even though under this bill the government will wipe out family allowances for over one million people. They will not vote against the bill because through it the government will provide greater benefits for many millions of people. No member of parliament wants to prevent people securing additional benefits at a time when living costs seem to be almost out of control. However, Mr. Speaker, that should not prevent a member of parliament from saying that the legislation before the House should be much better than that being proposed by the government.

• (1620)

I say, Sir, that since November 30 we have been considering some type of family income security plan. Despite all the time spent in thinking about the legislation, Canadians in general will be given legislation that is less beneficial than that presently existing. A great many Canadians will get nothing except an additional bill to pay. When asked to pay the bill they will be told that they are not to derive any benefits from their additional payments. This situation is something like the one involving the postal service of Canada. It costs twice as much to send a letter that will take twice as long getting to its destination, as compared with previous days. Producing that kind of legislation for the people of Canada seems to be almost inbred in this government's approach to legislative priorities.

So far as I am concerned, this particular piece of legislation will not have any significant anti-poverty effect in this nation. Even in the Atlantic region, which probably will benefit to a greater extent than any other part of Canada, the impact of this legislation on poverty will not be all that significant. The number of people who face poverty the day before the new payments are sent out will not be substantially different from the number who face poverty the day after the new cheques are sent out. What would help us would be legislation that would produce jobs. This is the subject we ought to be debating. At present, even though we are debating the bill before us, we do not know when the new cheques are to be sent out.

Last September constituents of mine telephoned me to ask why their family allowance cheques were the same as before. In July or August, the government had announced that new family allowances at higher rates would be available in September. I had to tell those people that, according to what I had learned in the House of Commons, the September date had been changed to May 1, 1972. Now I must tell those same people that instead of being implemented in May, this bill is to be implemented some day but I do not know when. The government is not telling me, and it is not telling them. Well, Mr. Speaker, that is not good enough, and the people of Canada will not think it is good enough. If the hon. member who spoke just before I entered this debate thinks that is good enough, that is just dandy. His attitude is probably a very good indication that he will be replaced in the next general election, whenever that comes.

The right hon. member for Prince Albert (Mr. Diefenbaker) was right in suggesting that for the Liberal members representing Ontario constituencies there is no satisfactory date for a general election. Neither 1972 nor 1973 is satisfactory so far as those Liberal members of parliament are concerned. If the philosophy of the hon. member who spoke just before I did is an example of the philosophy of federal Liberal members representing Ontario constituencies, they are in trouble. Any day will be a bad day, so far as they are concerned, for a general election, no matter whether it comes in spring, summer or fall.

When we return after the Easter recess, I hope the government will introduce legislation that will help all families which are to receive family allowances as well as families which need help through forms of income security that do not involve any package being considered by

the Minister of National Health and Welfare (Mr. Munro) or any other minister of this government. I hope such legislation will produce employment for the more than 600,000 people who find themselves without work and want to work. I do not know how much longer this government can expect the people of this country to put up with its relaxed and nonchalant approach to the serious problem of poverty facing so many in this nation.

I repeat, the middle income earner of this country has been the goat for far too long. It is time we put a stop to legislation of the type now before the House. Under it, the middle income earner is to be penalized, because he is industrious and trying to make a contribution to building a better Canada. He is making his contribution and assisting his fellow man by working and earning. We must put a stop to legislation of this kind. Every middle income earner in this country has as much right to family allowances, if he has children, as any other person in Canada. Unfortunately for him, because of the government's philosophy, he has been cut off at the pass. He is being made to foot the bill, and he will receive no benefits. He has been asked to do this time and again. I am fed up with this treatment, and I am sure he is; I am sure the government will discover just how fed up he is when it calls the election.

Mr. C. Terrence Murphy (Sault Ste. Marie): Mr. Speaker, I wish to take part in this debate, especially after having heard the speech of the hon. member for Cumberland-Colchester North (Mr. Coates). Never have I seen a better example of a man who wants to have his cake and eat it, too. He has been making statements during the past 15 or 20 minutes which tend to indicate to the middle income man in his riding that he is all for him, he is his hope and this government is completely against the middle income man. At the same time, out of the other side of his mouth he speaks about the poverty situation in Canada, the poor and how this government is lackadaisical about doing anything for the poor. I cannot put the two statements together so that they make any kind of sense.

• (1630)

An hon. Member: That is the problem with you fellows over there.

Mr. Murphy: It may be, but you do not have the answer, either. You are talking about the abominable tax on the middle income group. I agree that the middle income group in Canada may be carrying more than its share of the tax. However, that system has been accepted as the proper system in Canada for decades. The aim of that system has been to improve the lot of the poor people by moving them into the middle income group. Where are we to get the money to help the poor? Is it the proposition of the Conservative party that we should tax the corporations to a greater degree? I thought the proposition of that party was to allow the corporations free-wheeling rights so they could invest their profits and create jobs rather than take more tax from them. I thought their proposition was that taxes should be reduced in that area.

What should we do? Should we tax the poor to a higher degree? The money that is paid out in the form of family allowances or family income security, and the people of Canada know this, does not grow on trees. It comes out of the pockets of the taxpayers. What group forms the biggest tax-paying base in Canada? It happens to be the middle income group. I am glad to subscribe to the philosophy enunciated by the hon. member for York East (Mr. Otto). He said that the people in this group are prepared to face up to their responsibilities and do something for the less fortunate in the country. They are not acting like dogs in a manger by saying "I've got mine; now, Charlie, you try to get yours". They are prepared to take part in this exercise. I am prepared to accept his philosophy in that regard.

The hon. member for Cumberland-Colchester North deplored the loss of universality. I agree that in many ways universality is a fine concept. However, as a member of parliament, assuming I only have one child and that I draw a salary of $18,000 a year, I find it difficult to understand why I should get a cheque in the same amount as a working man with one child who only earns $4,000 a year. I do not buy that. The time for universality in Canada has ended.

Yesterday the hon. member for Vancouver-Kingsway (Mrs. MacInnis) mentioned that universality worked because you put money into the hands of all individuals and then get it back from those who do not meet it through taxes. This system works in the case of old age pensions where $75 or $80 a month is paid out, is counted as income and those in the higher income groups repay most or all of it to the government in taxes. I remind hon. members that that principle does not apply to family allowances. The money goes into the family, but it is not counted as income. Therefore, the principle of universality does not work in the same way when applied to family income security, baby bonus or whatever you want to call it, as it does when applied to old age pensions. The time for universality, in the sense that it was being used for purposes of family allowances, is gone.

There are many poor people in Canada who need additional assistance. The pie is just so big. It should be distributed among the people who are hungry, not among those who are well off. The hon. member for Cumberland-Colchester North referred to the government as a bloodsucker sucking funds from the middle class group for its own benefit. I suggest the hon. member does not have the respect that I do for the intelligence of the voters of Canada. The voters of Canada know that the government is not coining money in the Mint or printing it in the basement and handing it out to people. They know that the money that is paid out to various groups in Canada comes from the people of Canada.

To suggest that this government would think that by increasing family allowances to a certain number of the population would result in an increase in its popularity is an insult to the intelligence of the voters of Canada. However, I believe the hon. member indicated that. While he deplored the fact that the government was proceeding in this way, he spoke vociferously about the business of ridding ourselves of the concept of universality and criticized as strongly as he could what he called the re-introduction of the means test. In his next breath, he said "but I won't vote against it". Why will he not vote against it? The reason is that a number of people in Canada, particu-

larly in the hon. member's constituency, are going to receive increased benefits as a result of this change. He would not want to deprive them of those increased benefits, despite the fact this measure goes against his highest principles, because those people have a vote in the next election.

The hon. member deplored the introduction of some kind of means test, and mentioned how the introduction of this method of distributing money would result in a proliferation of bureaucrats. To quote him, one result would be the employment of bureaucrats by the hundreds of thousands. As I understand it, Mr. Speaker, the distribution of these new family allowances is based on income tax returns which are already being made by all of the taxpaying citizens of Canada. It is on the basis of those returns that this family income security money will be distributed. There is no question about the introduction of additional hundreds of thousands of bureaucrats. I suggest that, like many of his colleagues, he is thinking of 30 or 40 years ago, when the means test was a mean and miserable way of dealing out dole as it were.

I heard some of the examples cited yesterday by the hon. member for Vancouver-Kingsway (Mrs. MacInnis). I agree with her wholeheartedly. When we reached the stage at which parents, to prove their children were unable to support them, had to bring the children into court in order to qualify for assistance, I agree wholeheartedly with the hon. lady that we had got ourselves into a deplorable position. Surely, though, the plan we are talking about today is not that type of plan. It is a plan geared to returns which are already being made by taxpayers. It no longer implies a demeaning inquisition by government bureaucrats or the services of the numbers of government bureaucrats who were involved in the system in the late twenties and thirties. Fortunately, the present government, and governments before it in Canada, have recognized the folly of their ways. They have made changes and brought the system up to date to the point at which it is now a reasonable and practical proposition on the basis of which we can make the best possible use of the resources available to us.

• (1640)

One of the hon. members opposite who spoke this afternoon said: Retain the universality principle but raise the allowances for everybody. I agree with him in a sense. That would be absolutely great, provided we had the money. I should like to drive a Cadillac. I can only afford to drive a Volkswagen. I wish the hon. member would keep this in mind when dealing with the facts of the situation in Canada—the amount of funds and resources available to 22 million Canadians to take care of the poor and the elderly. Let us keep an eye, after all, on the resources which are available to us.

I cannot end without commenting on the speech made by the right hon. member for Prince Albert (Mr. Diefenbaker), for whom I have the highest respect. I must say I only heard the latter part of his remarks, that dealing with the constitution. The right hon. member has a great appreciation of the constitution which was written in 1867. So has everyone. But today is 1972. Canada is not the same today as it was in 1867 and a constitution written in 1867 is not necessarily the best constitution for Canada in 1972. I gather from the right hon. gentleman's comments that change is alien to his nature. I hope he will reconsider and realize that constitutional change is an absolute necessity if we are to continue as one united Canada.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have listened with great interest to a number of speeches this afternoon. They were not at all similar, but in my opinion they were well made. I was particularly interested to hear the last speaker refer to the desirability of establishing uniform legislation which would take into account the situations of those who are poor and those who are rich and distribute wealth on a selected basis providing more for those at the low end than for those at the high end. I wonder why the hon. member has not sat down with the Minister of National Health and Welfare (Mr. Munro), who is involved in many pieces of legislation concerned with establishing minimum incomes, in an attempt to arrive at some way of arranging for a guaranteed annual income so that we might move away from what the hon. member obviously acknowledges to be the deficiencies of the legislation before us.

I am prepared to put on record the difficulties arising from the relationship between family allowances as contemplated in Bill C-170 and the income tax structure set out in Bill C-169. We reach a position under that tax structure which would allow a fairly large payment at the low end of the income scale, but also a very large deduction from tax at the other end. In effect, this is really making provision of a high amount for children at the low end, through family allowances, and at the top as a substantial deduction in respect of children whose parents enjoy very high incomes—I am talking about income as high as $100,000 a year.

One of the objections to the proposition before us is that we are abandoning what we really set out to achieve in the beginning, that is to say, the provision of something special for the children regardless of their parents ability to earn.

It has been said that the middle class is paying the shot—that the middle class does not need this money. This is not really my experience. I believe we are now confronted with a totally new poverty level in Canada, and this poverty level is not necessarily below $10,000. For instance, I know many teachers who are earning between $10,000 and $14,000 and who are not getting enough money to meet their needs. This is because their standard of living has increased considerably and they are finding great difficulty in maintaining this level. Now, when these people are experiencing great financial difficulty, exactly the same thing happens with respect to children in those families as to any other children. The two cars in the garage cost so much a month to maintain. The $40,000 house costs so much to maintain. There are bills for heating, medical expenses and so on. There is only a certain amount of money to be spent on these things, and if it is not enough, what happens? There is a shortage of food and the children are eating hamburgers. So we are not going far enough if we simply take a certain level and say it is a reasonable level of income.

I read a story the other day in a Toronto newspaper which maintained that a family consisting of parents and two children, who own their own house and car, were

living at poverty level although the family earnings amounted to $11,000. The two children were attending university. I suppose it depends entirely on the way in which a family distributes its income, or on the type of society in which we live. Members of parliament are familiar with this situation. Since I have been here our wages have been increased on three occasions. I find that no matter how high my wages are I can find some way of spending them all. There is always some way of distributing the money. I suppose this is true of everyone in every category.

I heard of a case the other day involving a family which was very worried about two things. These people live in a house which is worth, I suppose, about $300. Their income, I presume, would be less than $1,000 a year. I am quite sure they were not receiving welfare or any kind of assistance at all. Two of the children go to high school. The mother says: "I don't know what my daughters do with their stockings." I continually have to buy nylon stockings. She also pointed out that she was obliged to pay $4 to buy a book. The sum of $4 is an immense amount of money for that family, but they were willing to pay it. I imagine the reason they were willing to pay it was that they got the money in the form of a family allowance, as a right, and it was used for the purpose for which it was intended.

• (1650)

In many cases this is also true in families of higher income. For example, take the family that drinks too much, or which has drug problems or monetary problems. The fact that there is a large income coming into the house does not necessarily mean that the children get any of the benefits. They may, or they may not. But in many cases a universal payment given to them as children as a right has been of exceeding advantage to those children.

I am of the opinion that one of the reasons the government is now moving away from universality is that it is considering a guaranteed income for Canadians. If that is so, then I am fully in support of it. But if it is so, then let the government be brave and introduce such a proposal now instead of playing around with it. If we pass this piece of legislation as it is, no one, but no one, will know how it operates. Let me just read one small paragraph and ask the minister for a quick explanation of it. This is a complete sentence:

> Where at any time during the first eleven months of a benefit year, other than the fourth month, or during the eight-month period next before that benefit year a parent—

And so on it goes. Another example:

> (b) where the parents of the child were not resident in Canada for the complete base calendar year, unless a statement of the estimated income of the child's family for the first calendar year thereafter in which the parents reasonably expect to be resident in Canada has been submitted by the parents, in which case the income of the child's family for that calendar year shall be deemed to be the income of the family for the base calendar year.

There are many clauses of the bill like that which do not make sense. I would advise the minister to look at them closely, because he is doing in this bill exactly what we did with the unemployment insurance legislation—putting in an "and" or a "this" or a "that", and giving alternatives.

[Mr. Peters.]

As far as the unemployment insurance legislation is concerned, by doing this we literally created chaos. The calculations that will have to be made in this legislation will require use of a computer. First of all, you will have to compute your income for the previous year, or people will have the alternative of establishing a base year, whether the previous year or a projected base year, at one's discretion. This information will be fed into the computer along with other facts and figures, such as age of the child, number of children in the family and so on. Each will be separately calculated. Then, during the year you will have to decide, either at the end of the fourth month or the eighth month period before the end of the benefit year, whether you ceased to be employed, and so on. You will be faced with many choices for the computer.

This will mean the minister will have to engage the services of inspectors. Just to give the House an example of what this means, an inspector for the Unemployment Insurance Commission visited a man in my area the other day. The man was not home, but the reason the inspector called was that this man had reported some part time earnings the previous week and the inspector was checking whether he was making more money than he claimed. The inspector telephoned this man's wife at her work and asked where her husband was. She replied he was in southern Ontario. He asked for his telephone number, but his wife replied that he was looking for work and that he telephoned her every night. The inspector reported this man was unavailable for work since they were unable to telephone him.

This is the kind of inspector who will be appointed under this act. These inspectors will have to find out what money people made previously. There will be inspectors to find out what people are making now. If a wife works for two months, this will alter the annual budget information that is fed into the computer and the information will have to be refed to the computer. If the wife receives unemployment insurance benefits, she will have to calculate the wage that she has received which is added to family income. Thousands of calculations will have to be made during the lifetime of a family. In other words, bureaucracy will grow to an immense size.

I see nothing wrong in this country with establishing an income tax structure which will absorb any payment made universally for which there is no need. One would know at the end of the year whether or not one had received too much money. If one had, this amount could be paid back through the income tax structure. If not, the money is kept by the recipient. I fully realize we have been through the Income Tax Act a number of times. I understand that one major company hired six or seven lawyers and sent them away to a quiet area to study the recent act. Having looked at it, they came back and said they could not come to any conclusions which they felt would be helpful to the company because they really did not understand what the act was all about. I sympathize with them because I think that is true of nearly everybody. I think there will be much cause for amusement in this country, in addition to television, when people try to complete their income tax forms for the first time under the new act in 1973. I suppose it will be the national pastime for several months.

A number of other factors relate to the changes made by the government in the payment of family allowances and I think they should receive consideration. One of the major influences was the desire of the province of Quebec to handle family allowances. Under the family structure in Quebec, people have been incensed that cheques are in the names of wives rather than husbands. The government has now corrected that. May I call it five o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Perhaps the Chair might be permitted to read the proceedings for the adjournment period this evening. The hon. member for Parkdale (Mr. Haidasz)—immigration; the hon. member for Vancouver-Kingsway (Mrs MacInnis)—public service; the hon. member for Central Nova (Mr. MacKay)—finance.

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

Mr. Jerome: Mr. Speaker, earlier in the day there were some discussions about the conduct of business during this hour. There are two items that hon. members on all sides of the House have expressed interest in proceeding with this afternoon, and if the House continues in this amicable mood it might be that we will be able to get through all stages of two measures in the list of private members' public bills. The first is Bill C-78, in the name of the hon. member for Ottawa Centre (Mr. McIlraith) concerning use of the term "Parliament Hill"; the second is Bill C-172, in the name of the hon. member for Témiscouata (Mr. Gendron) concerning the change of name of his constituency. If it meets with the approval of the House we might proceed with those two bills.

• (1700)

Mr. Howard (Skeena): Mr. Speaker, inasmuch as everyone is in an amiable and friendly mood perhaps we might consider in addition to the two items mentioned by the parliamentary secretary, as our third item, another matter, probably as important if not more important than those two, namely Bill C-180 standing in the name of my colleague the hon. member for Timiskaming (Mr. Peters), relating to earnings under the Unemployment Insurance Act. Perhaps we could make the order encompassing those three items as the ones for consideration.

Mr. Jerome: Your Honour, the difficulty I am faced with in this regard is that there has been no forewarning. Certainly, had there been any suggestion in advance we would have been prepared to accept the idea of asking for unanimous consent in that way. I did endeavour to contact the House leaders of all parties to see whether there was a disposition to deal with bills outstanding. There was one item in the name of Mr. MacDonald (Egmont) concerning the abolishment of corporal punishment to which we had given consideration. Unfortunately, he is not able to be here this afternoon and that is as far as our consideration can go on that matter. We then had some discussion earlier in the day, but I cannot commit myself further than I have in respect of these two bills.

Mr. Howard (Skeena): Mr. Speaker, let me say with respect to the parliamentary secretary that we are dealing with one bill concerning the name "Parliament Hill", and Bill C-172. When those are completed, I suggest we consider the bill standing in the name of my colleague, namely Bill C-180. It does not take much consideration to agree to this suggestion. The government agrees that the subject-matter of my hon. friend's bill needs debate, discussion and airing here, and requires some solution, perhaps even more so than does the subject of the name "Parliament Hill".

Mr. Jerome: Mr. Speaker, I have no objection to the consideration of the bill referred to by the hon. member after the conclusion of all stages of the two items to which I have referred. Perhaps we can proceed to the consideration of that matter at that time.

Mr. Howard (Skeena): If we are to proceed with the two bills, namely C-78 and C-172 in that order, and then proceed to the consideration of public bills the House has no recourse but to proceed to the consideration of Item No. 1, namely C-9, because that is the order of business. What I am submitting is that we are pretty well obliged to follow that course, but that following the consideration of the two bills mentioned we should agree to consider the bill I mentioned as the third item, otherwise we will have to proceed with the first item.

Mr. Deputy Speaker: It seems clear to the Chair that the question is whether there is unanimous consent to follow the procedure suggested by the parliamentary secretary. If there is not, I will call the first item of business in the normal fashion.

Mr. Howard (Skeena): Perhaps I did not appreciate what you said, Mr. Speaker. Am I to understand that the parliamentary secretary refuses to consider the subject-matter of unemployment insurance today?

Mr. Deputy Speaker: It seems that the matter is quite simple, and we should not take any more time on the point of order. I will put the proposition again, as I understand it. The parliamentary secretary has made a certain suggestion and I feel that hon. members understood what he said. This requires unanimous consent. If there is not that consent we will proceed in the normal fashion.

Mr. Jerome: Mr. Speaker, for the benefit of those present I should like to clarify my position on the matter. I am not about to withhold my consent to the suggestion that we consider the item referred to by the hon. member. We have agreement to consider the two items I mentioned, and I would be perfectly prepared to have the Chair call the bill mentioned as the third item after we have concluded all stages of those two items.

Mr. Deputy Speaker: Is there unanimous consent that the first item referred to by the parliamentary secretary be called, followed by the second item, and, if there is

time, to then deal with the bill referred to by the hon. member for Skeena (Mr. Howard)?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

PRIVATE MEMBERS' PUBLIC BILLS

PARLIAMENT HILL

MEASURE RESTRICTING USE OF THESE DESCRIPTIVE WORDS

Hon. G. J. McIlraith (Ottawa Centre) moved that Bill C-78, respecting the use of the expression "Parliament Hill", be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, perhaps at the outset I should thank hon. members for agreeing to have this bill brought forward for consideration today. I appreciate that courtesy and I want hon. members to know that I do.

The bill itself is quite simple. It is an attempt to prevent the commercial use of the words "Parliament Hill" to designate any property or place, or to identify any articles for sale or to otherwise identify any commercial enterprise for commercial use. It is very simple in its form and I think it is clear from its language.

The reason for the bill is the usage of the term "Parliament Hill" to designate a very fine new hotel in Ottawa. I might add that it is a much needed and very good new hotel. In November of last year the hotel, in a large advertisement in one of the Ottawa newspapers, indicated that the hotel was on Parliament Hill, which it is not, and the intention to use the designation "Parliament Hill" to identify that hotel as one of a number of hotels in a chain. This error was immediately drawn to the attention of the hotel and I thought the matter had then been concluded. In February of this year it became clear, when the hotel was about to open, that the name had not been changed. This matter was again drawn to their attention and notice of this bill was filed at that time. The hotel immediately took steps within its organization to change the designation of that hotel to a more appropriate one. I want to acknowledge and thank the hotel for its courtesy and action, or its maturity, however one wishes to express it. In any event I want to express appreciation for their action when the matter was brought to their attention.

As best I can ascertain, there has been no attempt to use this designation by any other enterprise in the first 102 years of confederation. Last year a farm near Ottawa chose this designation and applied it to certain livestock records in respect of cattle. There is also a small sports clothing or sports goods shop which has started to use the name. These are very recent cases and so far as I know there are no others. It seems to me this is a most inappropriate designation as applied to anything other than this immediate area and grounds on which the Parliament Buildings are situated, and the name should be reserved for that purpose.

[Mr. Deputy Speaker.]

I tried to make the bill very simple, providing that the words "Parliament Hill" should not be used for the three purposes set out in Clause 1 (a), (b), (c), that is to designate a property or location, to identify any goods, merchandise, wares or articles for commercial use or sale, or in association with a commercial service rendering establishment.

There is in addition a simple provision that a breach of these provisions is an offence punishable on summary conviction. Then, there is a clause which makes it clear that the bill in no way limits or interferes with the powers, privileges, rights and immunities of both Houses of Parliament and their members. That provision was put in because there had been some academic discussion concerning whether the use of the term would in fact constitute technically a breach of the privileges of parliament. That is not an argument or a reason which I assert for bringing forward this bill. However, that argument has been made and I thought it wise and appropriate to include a provision in the bill making it clear that the bill in no way limits the powers, privileges, rights and immunities of both Houses of Parliament and their members.

• (1710)

There is one other matter I should draw to the attention of hon. gentlemen. If it is agreeable to the House I should like to ask permission to change the wording of the motion so that instead of providing that the bill be read a second time and referred to the Standing Committee on Privileges and Elections, it read that the bill be read a second time and referred to the committee of the whole. Then, we could proceed today to the committee of the whole stage and third reading if that is agreeable to hon. members.

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

Some hon. Members: Agreed.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I shall be very brief. I think it is appropriate that the hon. member who is sponsoring this bill should do so because I know he has always had the interest, the rights and dignity of parliament, as well as the facilities which are provided for parliament, at heart. I agree wholeheartedly with the motivation behind this bill and indeed with the bill itself. I think it is a fitting topping-off of his parliamentary career that this bill should be promptly passed so that it would have the effect the hon. gentleman has in mind. However, there are a couple of things I should like to say in passing. Perhaps this would be more appropriate at the committee stage, but if I may have some latitude at the moment this would remove the necessity of saying anything at the committee stage.

Not being a lawyer, I should like to be assured that a sub-paragraph here is not wider than the hon. member intends in respect of identifying any goods, merchandise and so on. I would like to believe this would not include the use of such familiar names as "Parliament Cigarettes" and "HP Sauce", which of course stands for House of Parliament, and things of that sort. There is one slight query I have. It has to do with the designation of the bounds of Parliament Hill. As the hon. member knows

there has been some discussion about the possibility of bringing the Confederation Building into use for members' offices. I am not sure at what stage this is now, but I would presume if that is done this bill would have to be amended to include that area in Parliament Hill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I, too, shall be very brief. I should like to commend the hon. member for Ottawa Centre (Mr. McIlraith) for introducing this bill. I express to him my appreciation of the privilege of being named as the seconder of the bill. I am sure we all agree that the term "Parliament Hill" has a certain meaning in this country and that we do not want to see it commercialized. Accordingly this bill is a good one and we are happy to give it our support.

The other reason I thought I should like to get to my feet at this stage is to say that the hon. member for Ottawa Centre, who shortly plans to leave this place,—and we do not yet know to what place he may go—has already a distinguished career and many accomplishments to his credit. This was demonstrated at a public gathering in this city a few days ago. What is now happening is that he is achieving a new pinnacle. He is achieving an accomplishment which has been reached by few private members of the House of Commons. He is about to have a private member's bill passed in private members' hour. This really is a climax to an outstanding career and we extend to the hon. member our warm congratulations.

Mr. Donald MacInnis (Cape Breton-East Richmond): I will be very brief, Mr. Speaker. I should like to extend my congratulations to the member for introducing and, as indicated by the hon. member for Winnipeg North Centre (Mr. Knowles), for having passed through this House a private member's bill. Under the bill it is, of course, to be unlawful to describe or designate a property, place, site or location by the use of the term "Parliament Hill". I should also like to draw the attention of hon. members to the fact that there has been a commercial shown on national television, the CBC, depicting a helicopter landing in the area and picking up, there is no question of doubt, what is supposed to be a member of the House of Commons. In the event that I do not have an opportunity to refer to this again, when the bill comes before committee of the whole I would hope that consideration would be given to making it unlawful to depict Parliament Hill in any commercial.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the Chair.

On Clause 1—*Use of expression "Parliament Hill".*

Mr. Bell: Mr. Chairman, I just wish to ask a brief question and indicate my interest in and approval of the legislation. Did the hon. member have an opportunity to examine any other jurisdictions relative to this over-all subject? For example, what do they do in London and Washington? They may have similar problems and I can see in the future the misuse of other words as well as "Parliament Hill". There might be a bar, for instance, down on Rideau Street called the "Centre Block" or something of that nature. I am wondering whether these other jurisdictions have been able to cope with such things without having separate legislation. However, I support the bill and have no argument with it.

• (1720)

Mr. McIlraith: Mr. Chairman, referring to the point just raised by the hon. gentleman, I did not check out the larger question with other jurisdictions, for example, with Capitol Hill, to see what measures they had taken. I thought it better to deal with the immediate problem that had arisen. I have no doubt in my mind but that it may be necessary to enlarge the legislation on this general subject, but this bill is confined to the circumstances that have come to public attention.

The hon. member for Cape Breton-East Richmond raised a point about a television program. I have not seen or heard of it, and I must say I am not clear about it from his description of the incident. However, it may well be covered by clause 1(c). If not, it raises a question that may have to be dealt with later.

The words dealt with here are "Parliament Hill" in combination. That is the answer to the first point raised by the hon. member for Malpeque in his rather generous remarks. I think that should remove any question that there may be in his mind.

As to the second point raised about other buildings being used to house members of parliament in the course of their duties, and the example given of the Confederation Building, which is outside the area described in the bill, I did give this a good deal of attention and thought. It appeared to me that it was better to refer in this legislation at this time to the area clearly and commonly defined as Parliament Hill. If and when arrangements are made to house members of parliament in an area off Parliament Hill, there will be other questions to be settled affecting their privileges, so that the privileges they have, and have always had traditionally, will be clearly protected at that stage. Then, the definition of the area may have to be changed when dealing with those other matters. I came to the conclusion that it was best not to try to anticipate any such change, and contented myself with a description that was soundly based, that should have support in law, and the support of hon. members as a reasonable approach.

Mr. MacInnis: Mr. Chairman, I want to clear up any confusion that I may have introduced. If I referred to a CBC program I wish to say I meant to refer to a CBC commercial which left the impression that a certain member of the House was being picked up from the lawn by a helicopter. I think this would trespass on the area covered by the bill. Certainly it is commercializing the Hill and House itself.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

MEASURE TO CHANGE NAME OF CONSTITUENCY

Mr. Rosaire Gendron (Témiscouata) moved that Bill C-172, an Act respecting the Electoral Boundaries Readjustment Act, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, as was indicated on first reading, the purpose of this bill is to add the name "Rivière-du-Loup" to the constituency of Témiscouata so that we may again use the well known name of "Rivière-du-Loup-Témiscouata".

The present constituency is made up mainly of the provincial counties of Rivière-du-Loup and Témiscouata together with part of the county of Rimouski.

My predecessor, Mr. Fréchette, a progressive conservative member from 1958 to 1962, had introduced a similar measure which was passed by this House. When the electoral map was readjusted, compound names of constituencies were eliminated, although the majority of people upheld the usual designation, that is Rivière-du-Loup-Témiscouata, because it better reflected the demographic and geographic reality and it also prevented any mix-up with the provincial county of Témiscouata.

I hope that hon. members will be prepared to meet this popular request and help clarify this situation, for which I thank them on behalf of my constituency.

Mr. Speaker, may I have the consent of this House that this bill be referred to the committee of the whole for third reading?

The Acting Speaker (Mr. Laniel): Order. Is it the pleasure of the House to allow the hon. member for Témiscouata to amend the motion so that the bill can be referred to the committee of the whole?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): In accordance with a special order, the House will now go into committee for the examination of Bill C-172.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

The Deputy Chairman: The committee will now proceed with Bill C-172.

Clause 1 agreed to.

Title agreed to.

The Deputy Chairman: Shall the bill be reported?

Some hon. Members: Agreed.

Bill reported, read the third time and passed.

[Mr. MacInnis.]

• (1730)

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

AMENDMENT TO EXCLUDE HOLIDAY AND SEVERANCE PAY FROM DEFINITION OF EARNINGS

Mr. Arnold Peters (Timiskaming) moved that Bill C-180, to amend the Unemployment Insurance Act, 1971 (holiday pay), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I am very pleased to have the opportunity, through the generous consideration of the House and my seatmate the hon. member for Skeena (Mr. Howard), to speak on this bill. Its purpose is very simple and I hope it will be treated in the same way as the other bills we have considered in this hour. I hope we can deal with the bill in committee this afternoon and make progress toward its passage. As hon. members know, the question of holiday pay is under the jurisdiction of provincial governments. Most governments that have passed legislation on vacation pay have deducted at least 2 per cent of a worker's earnings and set this amount aside for his regular annual holiday.

In the province of Ontario, where I am familiar with the operation of the vacation pay act, the purpose was that a person could take one week's holiday and receive for that period the amount which he would normally earn. The desire to implement holiday pay in Ontario stemmed both from the advantages that flow to the employee, which were fairly obvious, and to the employer. It was the feeling that if the employee were to get one week's holiday with pay in the summer he would be apt to produce more efficiently when he returned to work. Most unions have negotiated an additional week's holiday and there are in some cases arrangements which provide for up to five weeks' holiday after 20 years of service.

One of the things the Ontario government did in their legislation was to ensure that vacation pay was not available to an employee until July 2. This was because we live in the northern hemisphere and have a relatively short period of sunshine. In the mines and in the factories we have not been able to provide the kind of lighting that would give enough vitamin C, so it was thought that if the worker took vacation pay after July 2 he could take his family to the beach or elsewhere to get the sun. Obviously, if he could take the vacation pay at a time of his own choosing, he might take it when he needs extra money. It was therefore decided that it would not be available to him until July 2.

Other benefits have been negotiated by unions over the years. One that has become very important in the last ten years is severance pay. This is negotiated by unions with companies against the day when the company will no longer be able to employ as many workers, particularly in fields where technological change is a real possibility and retraining will be necessary. There has been set aside a sum of money which can be used by the employee in addition to other moneys that he might have in order to make the transition between jobs. This government has agreed that in some cases where a worker has to move from one area to another it will make enough money available to the Department of Manpower and Immigra-

tion to move the family and furniture to the new location. However, everyone who has moved his home knows that while this may cover the actual moving cost it does not cover the upheaval that takes place when a person travels from one area to another to find a job.

As our technology improves and specialization in industry involves more and more retraining of workers, severance pay becomes a very important part of the protection provided to the worker. When the Unemployment Insurance Commission began calculating benefits they took into consideration a number of items they called "other moneys". These include, of course, insurance against loss of wages which one can take out, training allowances and "other moneys" which their handbook defines as follows:

> Other moneys: You must declare all moneys you have received or will receive for the period for which you are reporting, even if you did not work. This includes vacation pay, temporary workmen's compensation payments, bonuses, gratuities, severance pay, etc. Be sure to give a brief explanation of the moneys received in the space provided on your report form.

Mr. Speaker, it is my hope that other hon. members will agree that there were many reasons for establishing benefits such as vacation pay, severance pay and workmen's compensation, and that these should not be included as moneys earned by an employee while unemployed. It is for this reason I have introduced this bill and I strongly urge those members who believe in severance pay and vacation pay to support it.

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, the measure before us this afternoon concerning vacation with pay has caused a degree of unhappiness to people who become unemployed, particularly those engaged in seasonal work, who have seen legislation introduced that did not exist under the old Unemployment Insurance Act.

An hon. Member: That is putting it very mildly.

Mr. Caccia: It is a regulation that was introduced in the new act and to some extent it has detracted from the general quality of the Unemployment Insurance Act passed last summer by this parliament. Another effect of this regulation, Mr. Speaker, is that it has caused an anomaly which works in favour of those who become unemployed and who are members of a union or an organization which has agreed with the employer upon a system of so-called vacation with pay to be payable at a certain date.

• (1740)

As a result of this vacation with pay fund agreed upon with the employer, it is possible for people who become unemployed and have the benefit of this arrangement to withdraw money from the fund as payment for vacation only on a date specified usually in the agreement with the union. If you become unemployed at any other time of year you will not receive this vacation with pay sum and, therefore, since the money is not available it is not calculated against your claim and is not deducted from the benefits you hope to receive.

As a result, people who become unemployed and fall into the category I have mentioned enjoy a benefit that is usually not enjoyed by the vast majority of workers who become unemployed and do not belong to a union that has negotiated such an arrangement with the employer. Therefore, there is dual treatment of unemployed people. Those who have entered into this kind of arrangement with the employer can look forward to a higher level of payment for a greater number of weeks, whereas for those who do not enjoy the benefit of this arrangement their vacation with pay moneys are included in the calculation of unemployment insurance entitlement. Thus, they pay the consequence of not having been able to organize themselves as well as other workers and for not being able to work out with their employers a vacation with pay agreement that others have entered into.

This situation, Mr. Speaker, was brought to the minister's attention several months ago and has caused considerable unhappiness particularly in the construction industry where the level of employment fluctuates from season to season. Of course, when workers are thrown out of work or become unemployed and are not covered by a specific vacation with pay agreement with the employer, their vacation with pay entitlement becomes part and parcel of the total calculation respecting unemployment insurance benefits.

The hon. member for Timiskaming (Mr. Peters) also made the point that the vacation with pay payment to a great extent represents 2 per cent of the salary that a man has earned and saved while employed, and it stands to reason that this form of saving ought to be made available to the man when he becomes unemployed. It should not be deducted from the payment he looks forward to receiving under unemployment insurance.

These two matters, Mr. Speaker, have probably been brought forward for consideration because the new approach to this question is one based on cessation of income. So long as we call the present scheme unemployment insurance it will be considered by the men concerned as a form of insurance payable when they become unemployed. If vacation with pay benefits are due to people as a result of their work and earnings, those payments represent an additional resource on which they can count in time of need to meet expenses which may be unpredictable. The vacation with pay payment should not be confused with entitlement to unemployment insurance.

Mr. Peters: Hear, hear!

Mr. Caccia: In this sense, the hon. member for Timiskaming has rendered a great service to a vast number of people across the nation who are now struggling, as they have been for the past few months, with unemployment insurance regulations. They have suffered as a result of a calculation which it is felt, and rightly so, should not have been made.

It is distressing to see what has happened to a piece of legislation passed by parliament. In the practical application of that legislation, in day to day dealings with people affected one finds that the concept in the minds of the legislators who originally approved this very fine piece of legislation has been greatly distorted. Parliament intended to increase benefits and to make them available to people who had contributed to the fund for a shorter period than previously was necessary. At the same time, parliament wanted our people to enjoy a standard of living that would not be reduced to the level where a man

would need to be truly concerned as to whether he could meet his day to day commitments for the upkeep of his household and the maintenance of his family. Vacation with pay is the type of extra that in this day and age, when living costs are increasing, is essential if a family is to survive the tragedy of sudden unemployment.

I do not share the view expressed a few moments ago by the hon. member for Timiskaming that perhaps a man would need this payment in order to move to a job in another region. Such costs are supposed to be taken care of by the manpower mobility program. Certainly, vacation with pay payments will be utilized by the people affected in a manner that is not extravagant. Such payments will help to meet the basic, substantial needs of a breadwinner who suddenly, for reasons beyond his control, loses his job.

It seemed to me, therefore, that I ought to take this opportunity to speak in support of this measure and express the thoughts expressed to me over the last few months by a number of people. People are dissatisfied with the measure which was introduced by means of regulation and which is causing hardship that is unwarranted. Such regulations need to be removed.

Mr. Peters: Question.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker—

Mr. Howard (Skeena): Mr. Speaker, I rise on a simple point of order. According to my assessment—and I have talked to hon. members, although not having spoken with the hon. member for Ottawa West (Mr. Francis) I cannot speak for him—there is no disagreement about this bill. There is agreement: hon. members agree that the situation with which the bill deals needs to be corrected. I wonder if the hon. member for Ottawa West, as a courtesy to members of this House and to unemployment insurance claimants who are experiencing difficulty, would agree to confine his remarks so that we can vote on the bill before six o'clock.

Mr. Francis: Mr. Speaker, I do not think that is a point of order. I want to make some observations on the bill, if the hon. member for Skeena will let me proceed.

Mr. Howard (Skeena): I made a suggestion which obviously the hon. member will reject.

Mr. Francis: The hon. member who spoke in support of the bill is entitled to his opinion. As a member of the House, I have an equal right to express my observations and to raise some questions which have occurred to me about the bill.

Mr. Howard (Skeena): The hon. member agrees with its concept, does he not?

• (1750)

Mr. Francis: Some hon. members opposite are quick to prejudge things. That is a rather dangerous way to exercise one's mind. I want to direct a question to the hon. member who introduced the bill. Perhaps he can enlighten me on this matter. What will be the effect, if this bill is adopted, on benefit periods? I hope the hon. member will listen to me. I have the same right to make observations as any- other member in this House. If the hon. member for Timiskaming (Mr. Peters) and the hon. member for Skeena (Mr. Howard) would restrain themselves, I could say my piece.

I want to raise a question. What is the effect on the benefit period of adopting this proposed amendment? I pose that question at the beginning of my remarks. I hope the hon. member will restrain himself a little. Does this measure mean these payments will, or will not be counted as earnings when it is a matter of determining whether a claimant is unemployed? As I read it, the effect would be to have them disregarded as earnings. This means that once a claimant becomes unemployed, he or she would have a bunching of income at that point and would more quickly exhaust his or her benefit period.

The effect of the act as it has been interpreted is to regard such payments on a contribution basis. This would have the effect of extending the benefit period because it would not be deemed to have commended until such time as the benefit had been received. Unfortunately, unemployment in Canada is seasonal. I see the hon. member for Winnipeg North Centre (Mr. Knowles) smiling. I am sure he will have some observations to make on this point. It is a matter of concern to all of us.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I was smiling all right, but I was smiling at what my friends behind me were saying. If the hon. member would like me to tell him what they were saying, I should be glad to do so.

Mr. Francis: Mr. Speaker, I have the highest regard for the hon. member for Winnipeg North Centre. I know of his concern in social welfare matters. I wish to pose a question to him. The way in which the act is now interpreted means there is an extended period of benefit. If this amendment were adopted it would put the claimant in the position of receiving a bunching of income at the commencement of unemployment when there is least need for it. It would terminate the benefit period that much sooner. I raise this question. There may be particular circumstances in which it is to the benefit of the claimant, but would the adoption of this type of amendment really be in the interest of all claimants who would be affected by it?

Mr. Knowles (Winnipeg North Centre): Don't you believe in holidays?

Mr. Francis: I believe in holidays as much as anybody else, but I do not believe in paying benefits such as holiday pay, severance pay or unemployment insurance and thereby terminating unemployment insurance benefits that much sooner.

Mr. Peters: There is no relationship at all.

Mr. Francis: There is a relationship. I know that the hon. member for Winnipeg North Centre is not given to the kind of remark being made by his colleagues behind him.

The Acting Speaker (Mr. Laniel): Is the hon. member rising on a point of order?

Mr. Skoberg: Yes, Mr. Speaker. Would the hon. member accept a question? Is he aware that in 1954 an umpire ruled that neither severance pay nor holiday pay could be computed as earnings of people claiming unemployment insurance? There has already been a ruling on this question.

Mr. Francis: I am aware there have been a series of rulings. However, a substantial amendment to the act was passed in 1971, which changed many things. I am sure that when the hon. member thinks about it he will realize that amendments of consequence can even change the decisions of umpires. I do not know what has happened in respect of recent decisions in this area. The amendment before us reads in part:

—earnings received as bonus, gratuities, severance pay, retirement payments, retirement leave credits or payments in lieu thereof, wages in lieu of notice—

It is expressly designed to cope with, among other things, the particular items mentioned by the hon. member who just spoke. If that is the intention of the mover of the amendment, I come back to the question which I raised. Is it in the interest of an unemployed person to receive the maximum amount at the beginning of a period of unemployment and to have it disregarded in calculating eligibility for unemployment benefits, thereby having an earlier termination of the period in which unemployment insurance can be claimed?

I know the hon. member will want to think about this question. He will be as concerned as I am about the quick passage of a bill which has not been printed or distributed in the usual way by leave of this House. It has been given accelerated treatment.

Mr. Peters: You are reflecting on the actions of Mr. Speaker.

Mr. Francis: That is not correct. I think it is useful to debate this matter. It serves a useful purpose. I again raise the question, is it in the interest of claimants to do what the amendment before us proposes?

Mr. Skoberg: Ask the unemployed.

Mr. Francis: I have asked many unemployed persons. It is desirable to have the maximum amount of money as soon as you can get it, but the wives, children and families are often more concerned about the security inherent in being guaranteed unemployment insurance payments for a longer period of time than would be the case if this amendment were adopted.

I raise this valid question again. I believe it is necessary for all of us in this House to weigh such matters and give them careful consideration. I am not saying this concept is wrong. I believe there are circumstances in which it is conceivable that some of these items should be disregarded, but there should not be a blanket disregarding of all the items not only in the calculation of the earning space but in the calculation of eligibility for benefits. I believe it is six o'clock, Mr. Speaker.

Mr. Jerome: I do not know whether Your Honour intends to call it six o'clock. I know other hon. members have much to say on this issue, but if it is six o'clock—

The Acting Speaker (Mr. Laniel): It can be called six o'clock only by unanimous consent.

Mr. Howard (Skeena): The parliamentary secretary has suggested there are other hon. members who wish to speak. This is an important question that needs to be resolved. Could I ask for the unanimous consent of the House that this item stand in its position of precedence at the top of the list so that on another day we can deal with it again?

Mr. Jerome: Mr. Speaker, I do not think that would be a fair undertaking in respect of those who have bills ahead of this one. We have had some discussion on the subject matter of the bill of the hon. member for Egmont (Mr. MacDonald) being referred to committee. There are other bills of that nature which have to be attended to in the proper order.

Mr. Peters: Perhaps the House would consent to continuing with this important subject for another hour.

The Acting Speaker (Mr. Laniel): Is there unanimous consent to any of the requests made?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): Order. It being six o'clock, the hour appointed for the consideration of private members' business has expired. I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, before private members' hour I was drawing attention to the difficulties which are bound to arise as a result of adopting a selective rather than a universal type of plan as the basis for family allowances.

Universality has many great advantages. The women of this country have developed a great respect for family allowances, partly because payment is made directly to

them. As a result, even in households where there is very little money available, there is always extra cash which the mother can use to buy necessities for the children, whether in the form of additional clothing or a little extra food on the table.

It is true this method of distribution has given rise to some misgivings in the province of Quebec. There was a measure of resentment, on social grounds, that the money has not been made available to the husband rather than to the wife. I note that the bill before us does not specify who shall receive the money. The various provinces, in operating their plans, presumably will be able to make this decision for themselves.

In support of the legislation which became effective on July 1, 1945, it was argued that the system then adopted would ensure a greater measure of equality of opportunity for all children. It was argued, also, that it would help ensure an adequate income for large families in receipt of social insurance and social assistance payments while avoiding grants which might diminish the incentive to work. Advocates of the bill argued, too, that it would assist in maintaining higher levels of income and employment during the post-war period.

• (2010)

Over the years the government has not seen fit to keep up to date the standards initially set in 1944. At that time children up to six years old received $5, from six to nine years $6, from 10 to 12 years $7, and from 13 to 15 years $8. These rates were changed in 1957 and children up to the age of 10 received $6, and from 10 to 15 $8. In relations to many of the basic costs of both clothing and extras that children require for school, this payment represented considerable assistance to a family yet, as I say, over the years the government has not seen fit to keep the program up to date. The province of Quebec had a similar program to this which was in the form of a school allowance. This resulted in our adding youth allowances to the family benefit program and included children who were attending school and had not yet reached the age of 21.

The white paper indicated there was to be a reduction in family allowance according to the income of the parents. This has been followed to a certain extent by computing the benefits that will now flow to a young person. This has to be considered with the new tax provisions recently passed in Bill C-169. For the low-income families this will be a definite advantage. For the higher income families the advantage will not be so great.

In this regard, when you consider tax accrual you find the following interesting situation. I should like to refer to a study undertaken with regard to bringing into line the deductions that increase as income rises, the benefits that flow from the present scheme and the new proposal in Bill C-170. For example, a family with two children under the age of 10 years whose total income is $3,000 presently receives a family allowance benefit of $96. Under the new act the family will receive a further $120, bringing the total allowance up to $216. No deduction from that sum would be made under Bill C-169, the tax bill, so the whole of the $216 is a benefit to that family.

At the $10,000 level the same family would continue to receive the $96 allowance but there would be a tax deduction of $50.07, which means they get a total net benefit of about $46. At the $25,000 level they would still receive the $96 allowance, and under the new scheme they will receive a total of $328.82, more than $100 over the benefit received by the family earning $3,000. So it is quite true that a family which receives benefits under this act receives more if its total income is low, and the family earning $10,000 will suffer a reduction of $100 more than at present.

Another factor to take into consideration is the cost of operating the plan. Under the present plan a person sent in an application for benefits when a child was born and the following month the benefits commenced. When making an application under the new act for family allowance you have to include a statement of estimated or actual income. Clause 8 provides:

> (1) Where an application for a benefit in respect of a child is made in respect of a current benefit year, the application shall not be approved
>
> (a) where the parents of the child were resident in Canada for the complete base calendar year, unless a statement of the income of the child's family for that year has been submitted by the parents; or
>
> (b) where the parents of the child were not resident in Canada for the complete base calendar year, unless a statement of the estimated income of the child's family for the first calendar year thereafter in which the parents reasonably expect to be resident in Canada has been submitted by the parents, in which case the income of the child's family for that calendar year shall be deemed to be the income of the family for the base calendar year.
>
> (2) Where at any time during the base calendar year or during the fourth month of a current benefit year a parent
>
> (a) ceases to hold an office or employment previously held by him or ceases to carry on a business previously carried on by him, or
>
> (b) for any other reason suffers a loss or reduction of income,
>
> as a result of which event or occurrence it is reasonable to expect that the income of the family for the calendar year next following the calendar year in which the event or occurrence took place will be substantially reduced, the parents may, in such manner and within such time as are prescribed, file a statement of the estimated income of the family for that next following calendar year, in which case the income of the family for that calendar year shall be deemed to be the income of the family for the base calendar year.

That is very clear up to that point, but subclause (3) provides:

> (3) Where at any time during the first eleven months of a benefit year, other than the fourth month, or during the eight-month period next before that benefit year a parent
>
> (a) ceases to hold an office or employment previously held by him or ceases to carry on a business previously carried on by him, or
>
> (b) for any other reason suffers a loss or reduction of income,
>
> as a result of which event or occurrence—

And so on it goes, Mr. Speaker. The whole of this provision relates to the filing of an application for family allowance. If someone who is called upon to read this act cannot reduce it to plain English, then obviously the poor woman who leaves hospital and wants to make an application on behalf of her newborn child will have considerable difficulty.

• (2020)

I think this illustrates the complexity of the legislation and the difficulty involved in trying to sort out those who will and those who will not be eligible for the family allowance. Of course, every time we produce legislation that is confusing it means there will be a great deal of cost in the administration of the program. It is interesting to note that in the years 1969 and 1970 the administrative cost for family and youth allowances amounted to $11.6 million, or only 1.8 per cent of the total payments. It is estimated the administrative cost will rise sharply, not only because of the complicated provisions in the bill but because of the possibility of several provinces introducing their own allowance scales.

In relation to any legislation I believe there is violent reaction by the general public to having to fill out forms and provide a vast duplication of information to government agencies. Then there is the fact that on occasion this information is a question of interpretation which is subject to change. If a member of a family should obtain employment for a time there would be a change in the family income. If the breadwinner should be sick there would be a change in the family income. Each change, of course, would involve either an overpayment or additional payment which would have to be made in light of the family allowance payment.

Obviously, the administration will be 100 times more complicated than it is in a program involving the payment of a straight grant operated on the basis of age of the child. In my opinion it will be a great deal more expensive to arrive at a calculation as to what the family benefits should be, either under a projected or a base-year income program, than the saving involved in respect of those who really do not need this kind of assistance. I believe it is interesting to note that in some areas the working poor are at a much lower income level than even welfare recipients. The minimum wage in most areas is below what is considered to be the poverty line.

The minimum wage is on an almost uniform basis in the provinces and the welfare structure is based on need, which takes into consideration the size of the family and the type of accommodation it occupies. In many cases the welfare level is much higher than the minimum wage. By looking at a person's income one is really not in a position to make a decision as to whether or not that person is in a better position than someone else to maintain children and pay for their necessities.

I find this situation in respect of the student loans legislation where such a criterion is used. I am thinking particularly of a small store which also has a restaurant in a very small community in my area. The daughter of the people who own this store and restaurant attended university for several years. When she applied for a student loan it was immediately rejected on the basis that the father and mother operated a store. I think it is safe to say—certainly experience has proven this—that in relation to the net income derived from that business the family is living very close to the poverty line as indicated by the welfare structure in the area. This girl eventually was able to obtain a student loan. Originally, however, it was automatically turned down on the basis that her mother and father operated a small store and restaurant, which placed them in a certain category.

It seems to me this will be the situation of many young couples who have children and are living considerably beyond their means. It may well be that this government will soon get around this regulation. We certainly have many tables. We have them in respect of income tax and unemployment insurance and now are to have them in respect of family allowances. We will probably have them in respect of most of our health legislation. So, shortly we will have an indication of what the family income should produce in terms of housing. Probably we will be telling people, as we tell them now in the low-income field if they are receiving the old age pension and are living in a rental unit, that they should pay $36 in rent. If the federal government is making a payment through the supplementary benefit program, then obviously the rent would be increased to the maximum of, I believe, $80 and the federal government would pay it. In any case, the decision concerning what type of housing a person will have is made according to his income.

I believe the public is becoming fed up with the government asking how it is spending its money and whether or not it is able to get along with the special benefits. I am sure every member has spoken to old age pensioners who are under this kind of structure asking for supplementary benefits and the government, on examining their total finances, sometimes finds they have over the years purchased war bonds or something of that nature which they have put away for old age, burial or whatever it may be. So long as they have this money they are unable to obtain a reasonable amount of assistance.

I believe we should be working toward less of this type of automated control based on income and should be providing benefits to all those in need. Members of parliament have been receiving a reasonable salary and I am sure most of us have been able to assist our children to attend university. I do not believe we are opposed, although our children may be, to paying for their university education while someone not in our salary category is receiving a government grant or loan of perhaps more money than parents like us who may be considered affluent have made available to our children.

I think the same situation may exist in respect of the family allowance program. There may be young people, and certainly there will be children who will be deprived of some of the benefits we intended them to have when in 1944 we first talked about instituting the family allowance program. Many of our young people have less of an advantage under the new system than they have under the present one.

• (2030)

I hope that after the next election there will be sufficient change so that the government will react to the needs of the people, so that we will make an attempt to get rid of the huge bureaucracy with which the individual must deal and will not pass this type of legislation which provides that assistance is to be given to those who are poor, with no assistance going to those who are rich. This type of legislation means that we establish people in those categories and we enact legislation to keep them there.

I hope we will enact legislation providing that when the individual reaches a certain age he is entitled to a certain benefit, legislation providing that when you are born you are entitled to family allowance, not calculated on your parents' ability to pay their way but provided as a right of a newly arrived citizen of Canada.

When members of parliament go out on the hustings and talk to the people of this country I am sure they will find that one of the major complaints is with respect to the morass of detail and information that people have to provide to government. The criteria governing this information are both degrading and divisive.

I believe that this legislation has accomplished in the years of its existence much that we wanted it to accomplish I am sure it has given the opportunity to many poor families to provide a better education for their children. An opportunity has been provided by the family allowance program to buy clothes for children in order to make them acceptable in our society. The family allowance payments have also been spent on medicine and on additional food for poor families. The only disadvantage that has occurred has been not with respect to the form of the demogrant or the tax structure but the fact that the government knows children do not vote. If children had the franchise, then every time we had an election during the last 15 years there would have been an increase in family allowances to match the increases in old age pensions.

Old age pensioners had the vote and governments remembered them. However, after the 1968 election the government had such a huge majority that no increase was given to old age pensioners but a scheme was introduced to assist those in dire need, a totally new program providing a guaranteed income supplement. I suggest that if children were able to vote, Mr. Speaker, we would not have this kind of silly, selectivity-based program.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am very happy to say what I think of family allowances in our modern society; to my mind, this is the most important problem in Canadian history because it is the very basis of our society.

Mr. Speaker, the structures and institutions of peoples are undergoing deep transformations these days and our country cannot escape them. These transformations accompany cultural, economic and social evolution, which profoundly influence the political life of our society, especially with regard to the rights and duties of the individual in the exercise of civil liberties and the pursuit of the common good and with regard to the structure of relations between citizens and between the citizen and public powers.

Awareness of human dignity has grown more acute. Efforts must be made to set up a political-judicial order in which the rights of the individual in public life are better protected, while being closely related to present economic and social progress. There is more co-operation and this is likely to guarantee to each and everyone, not only to a privileged few, the true enjoyment of the rights that attach to the human being.

Mr. Speaker, the adoption of a truly human policy implies, above all else, the development of an intimate

[Mr. Peters.]

sense of justice reinforced by fundamental convictions on the true nature of the political community as an end, the sound exercise and the limits of public authority. Obviously, the political community and public authority find their basis in human nature and therefore stem from an order established by God, although the choice of political regimes and the appointment of its leaders are left to the free will of the citizens.

• (2040)

As for our present concern, Mr. Speaker, what Canadians are asking is a guaranteed minimum income, not a selective plan such as proposed under Bill C-170.

Mr. Speaker, I cannot get over seeing how much they like to take trouble, to complicate things, to multiply problems, to invent new formulas so that people grow increasingly confused about their relationships with their leaders.

Only family allowances were still readily understood by the working population and received every month with no other complication than the proof of existence off citizens. Bill C-170 will now eliminate this worthy feature of family allowances and leave every family wondering and fending with the perennial increases and decreases in benefits they will get from this government as a result of accounting complications, undecipherable for the non-university graduates.

So, Mr. Speaker, instead of speaking of universal or selective programs, why not just call them national, instead of using the big word "universal" which I suggest has no logical meaning here in Canada.

If the allowances plan were called national, applying to the whole territory of Canada, it would definitely be known that it extends to Canadians of all the provinces and territories of our country. But what does "universal" mean, actually? And what about "selective"? Another lovely gem, which only further complicates concertation involving the guaranteed family income.

So, when reading the comments of the hon. Minister of National Health and Welfare (Mr. Munro) as they appear on page 1131 of *Hansard* for March 24, 1972, I feel humiliated in my pride as a Canadian citizen and ask that this House, seeing to what extent this study of family allowances and security of family income is linked with concern over lack of money for the family, the children, the human person in need and the population in general, take some action.

Mr. Speaker, when it is a matter of doubling, tripling the income of corporations, banks and big institutions, there is no limit to our ambitions, skills and possibilities. Crown corporations are easily created with stock amounting to $2 billion. A bill is merely brought forward in the House of Commons and everything runs smoothly. But when it is a matter of the children of the country, the Minister of National Health—why not universal health—and Welfare had this to say, which I quote from the second column of page 1131 of *Hansard* for March 24:

> Payments per child of $72 to $120 a year, in essence the level of payments which our present family allowance program provides, cannot come near the annual cost of maintaining a child.

I keep quoting:

One must take into account that current coverage involves almost 7 million children—

We see the tremendous expenditures involved when we start to double the rates and benefits under the present family allowances if we just double them and make them universal.

And so, Mr. Speaker, the whole speech of the hon. minister on family allowances reveals his fear of running short of money to give a decent life to Canadian children out of the incalculable resources that Providence has bestowed upon this country.

Mr. Speaker, it bears repeating over again that this approach to family income security and personal and family allowances is terribly depressing and even ridiculous on the part of our most intelligent people in parliament, who are merely trying to summarize the Canadian government's policy expressed in the now famous white paper, published a year ago following exhaustive university, administrative and legislative research by our national and provincial elite. The results are really depressing, ridiculous and discouraging. To all who are good at arithmetic, I am tempted to give a little lesson.

I am going to quote this other sentence of the Minister of Health and Welfare, which is also on page 1133 of *Hansard*:

By this measure the government will be committing $820 million to the FISP proposals, a sizeable increase over the amount now expended on family allowances . . . roughly $650 million.

How about that? One hundred and seventy million more. This—$170 million more for seven million children up to 17 years of age inclusively, which is, a third of the population—is a crushing burden for Canada, whose national product—not universal, mind, but national—was from $92 billion to $95 billion in 1971 and 1972, and will be over $100 billion in 1972-73.

Can you imagine? To have been afraid to increase allowances in respect of children, of students under 18 years of age, by $170 million when the national product is going to increase by over $8 billion in the coming year. I will, therefore, urge the minister to make the calculation and stop making a fool of himself on behalf of all learned Canadians.

Does the minister not understand that an increase of $170 million on an extra production of $8 billion in Canada for next year is only a peanut in a wheat field? Where does he get his proportions and percentages?

An amount of $820 million out of $100 billion, that is not even one per cent. We should stop making fools of ourselves, stop mocking the people who are beginning to see through this play on figures, because the game is the same with millions as it is with dollars and cents. The percentages, the proportions are the same whether you figure out millions or billions, cents or dollars.

So, the minister will finally understand without need for further comments. He himself said, as reported on page 1131 of *Hansard* for March 24, 1972, and I quote:

—family allowances have lost their effectiveness over the years, as benefits have remained almost unchanged since their inception despite sharp increases in the cost of living.

I say to the minister that this sentence would have more strength and informative value if we made a calculation of percentages and proportions from the beginning, or from 1945.

However, the national production amounted to only $12 billion in 1944-45. In 1971, it was $92 billion and it will increase to $100 billion in 1972.

In 1944, the basic salary for MP's was $4,000; it is now $26,000 which is seven times more. However, family allowances have remained the same. We are the ones to decide, according to our judgment and our knowledge.

The income for MP's, judges, ministers, university graduates, accountants and economists is based on the cost of living, proportionately to the national production, whereas for children who make up one third of the population, we are still maintaining the rates in effect in 1944-45 whence Canada's production was $12 billion, that is seven or eight times less than today.

We are now in 1972. Mr. Speaker, I could quote a dozen tables which show quite clearly the lack of responsibility or understanding of our governing and thinking elite concerning proportions, percentages, the sharing of income and the purchasing power at the various levels of population.

I have no intention of needlessly annoying hon. members by striking a discordant note. I would rather at any time play a harmonious tune which has to do with the economic balance that ought to prevail in Canada under the auspices of parliament.

Mr. Speaker, every Canadian wishes and heartily strives for understanding, economic balance in the country at every level of the population. Nobody wants to see the disharmony and the lack of balance which prevail today because of inflation, unemployment and poverty.

However, this correction must be made in our national economy. No other authority but the one at the national level, the Parliament of Canada, is in a position to administer our national economy.

What does this parliament consist of? The 264 members elected by the people on June 25, 1968, among whom we notice thirty-odd ministers and as many parliamentary secretaries, all the Liberals responsible for legislation with the support of members of the various opposition parties also elected by the Canadian people, as well as 102 senators.

It does seem therefore that on such an important issue as the security of family income, all members and ministers elected by the people of Canada, all equally interested in the well-being of nearly 23 million Canadians, should get together regarding this matter, the most important economic question, that is the security of family and personal income, which should be granted to citizens from the enormous national and natural resources that we own, with the co-operation of capital and labour of adult citizens and producers.

• (2055)

If only we could at long last become aware of the importance of the life of the citizens, as opposed to that of capital and the work of those who contribute to national production, we would at least have taken an initial and direct step towards economic harmony, towards balance between the various segments of our national economy.

We could at long last hope to see an end to inflation, unemployment, poverty.

But all that requires recognition of the prime objective of all government and parliament activity—guaranteeing the survival and the income of every citizen. The life of the human being, that is the first objective of all government administration. Human life must take precedence over the primacy of capital or labour because, without human life, where would capital or labour be?

If we have provided to such an extent for the protection of capital, guaranteed income or labour, why should we not afford as much or even more protection to human life, even that of the unemployed or the penniless? Such is the main object of any administration or any efficient legislation of this parliament or this government of Canada. This is the question which should be the main concern of the ministers and elected representatives of Canadians who are now close to 23 million and who are entitled to live before being entitled to employment or capital.

If capital does exist apart from the human being, if labour does exist as an expression of the human being, life is the very basis of that human being and the basis of his labour or capital. Without life there cannot be any capital nor labour for any citizen.

Therefore that life must be our first goal when we administer the economy of our country in the same way as that life is the first expression of the existence of every living citizen, even before he is able to work, even before he is able to own some capital. Life comes first, labour and capital follow suit. Is it really that order we follow in our administrative priorities? It is not surprising that the economy is out of balance, that capital is at grips with inflation, that labour suffers from all kinds of unemployment and that the life of the citizen is threatened by the harassing existence of shameful and depressing poverty.

Mr. Speaker, at long last here is that famous Bill C-170 on family income security. Are we going to deal with it in the same way as with all other major economic bills, including the Bank Act, the tax reform and the Unemployment Insurance Act, when all our efforts only resulted in providing greater sources of guaranteed income for capital, in triggering at the same time and as a consequence the increase in prices, taxes, all things that increase the cost of living, even for all the citizens who have no work and no capital, no source of guaranteed personal income, neither through work nor through capital?

This is why, the more we step forward, the more we go backward in dealing with inflation, unemployment and poverty. It is very simple. We take the wrong approach. We see things upside down. We seek to protect capital and work before protecting the life of the people of this country. Everything is mixed up in our minds. We think we are going up when in fact we are going down.

• (2100)

This is why capital becomes more and more important at the expense of work which is given less and less value, at the expense of personal incomes which are taxed more than ever, at the expense of the life of those out of work, without capital who are becoming poorer and poorer because the cost of living is going up, even for those who are too young, too old or too sick or unable to eke out a livelihood through their work or their capital.

Are we forgetting that life is the prime source of personal income, that before working or owning capital, each and every living citizen, whether he is a child, a student, an adult or an older person, has a right to live from the first moment of his existence to the last beat of his heart?

Nevertheless, the tremendous research work done by this government since it gained power has made us conscious of the economic situation in our country, Canadian companies, families and each and every citizen of this country.

Mr. Speaker, the individuals, the families and the companies, whether private or public, are what is being administered in Canada under the unique leadership of the government which is comprised of 264 members of parliament elected by over 22 million Canadians. In 1972, national output will reach $100 bil'ion, more than $4,500 per person on the average, which represents $22,500 for a family of five. We are rich and we live poorly. All this can be corrected through a minor readjustment in guaranteed personal income, in the right to essential things for each family of this country according to the decision we can take, we the members of parliament elected by the people for a term of five years legally ending in mid-July 1973.

That decision rests upon us. No other Canadian citizen can be held responsible for that decision. Each and every one had the opportunity of expressing his opinion thanks to the many inquiries held by royal commissions over the past ten years, and to studies of task forces and debates on white papers. Time has come for action, legislation, administration, the new economic order we want to establish and which is the responsibility of all of us, ministers and members.

The president of the Royal Bank of Canada, the chairmen of many companies with assets of more than $40 billion, the president of the Canadian Labour Congress, Mr. Donald MacDonald, with his two million union members, bishops, cardinals and the Pope, none of them can vote for or against family income security. Here, in Parliament, not even bishops, cardinals or the Queen of England could vote for or against guaranteed personal income. Therefore, it is our duty and our exclusive and complete privilege to make a decision on that urgent matter.

In order to finish its task and to establish a just society in a unique and united Canada, to create a permanent guaranteed family income for every one and for each Canadian family, for every home, apartment, residence or slum dweller in Canada, within our present monetary, economic and political and capitalist framework in our better understood free enterprise system, the present majority government has one full year left. It is entirely responsible for its decisions once opposition members have been allowed to express their personal opinions on this all important subject for the future of Canada.

If capital is treated fairly in corporations of all kinds, if work is respected by unions, big or small, the fact remains that the rights of each citizen must be considered and protected unconditionally and very closely through Bill C-170 on which we cannot vote without due reflection.

For the 22 million Canadians, there must be 22 million guaranteed incomes whether through capital or work or the basic personal rights of citizens who have no work nor money.

Mr. Speaker, since personal capital earns a guaranteed interest set by contract, since personal labour deserve a guaranteed salary established through contracts, therefore each dependent citizen deserves a guaranteed minimum by contract. This is what we should accomplish through Bill C-170.

Therefore, Mr. Speaker, out of a national product of $100 billion which, on the average, amounts to $4,500 for each person or $22,500 for each family of five, there is nothing preventing us from legislating on a personal guaranteed minimum as follows: family allowances for all children up to age 10 for those aged 10 to 17, for all adults between 18 and 59 and for all pensioners aged 60 or more.

This table shows the amounts paid to each citizen in every family where the breadwinner earns an income through his work or his capital. For those families or single persons who do not earn any income through work or capital, an additional premium for motherhood, for guidance or for loneliness will be automatically added to the guaranteed personal income. As regards contributions, the program is selective and national. It is a national program in that it does not neglect anyone. It is an easily assessable national program calculated on the basis of $1 a day, or $30 a month, which is within the understanding of most Canadian families, whatever their level of education. Once the principles are recognized, the logical means must also be accepted.

Let us take time to ponder this table which is quite easy to grasp and think of all the citizens who have a right to live proportionately to our national production, year after year, before individuals and prosperous corporations can accumulate large amounts of capital for the years to come. Before capitalizing too much there must be enough consumption, Mr. Speaker.

I am well aware that it is impossible to express one's ideas in a few sentences, but this is enough to stimulate the curiosity of each one of us. I can give you more details, if you wish.

As regards production, Mr. Speaker, we should add an additional $12 to 16 billion for the guaranteed security of each citizen. It is very simple: we could draw from production itself an amount of $12 to 15 billion to be added to insufficient consumption; this amount would be levied on extravagant and inflationary capitalization, and would bring about increased purchasing power and, at the same time, lower prices and taxes; it would also stem inflation while maintaining the availability of $24 to 30 billion for capitalization, development and progress in Canada. This still gives an average—

• (2110)

An hon. Member: Read some more.

Mr. Latulippe: —of $1,000 or $1,300 for every citizen—man, woman, and child—for the future.

By taking those billions of dollars from the capitalization of corporations during the current year, you do not reduce in any way the share capitalized by productive and prosperous Canadians. Private and public corporations will still enjoy magnificent capitalization, quite enough for the most daring projects.

An hon. Member: It is very well read.

Mr. Latulippe: Those billions injected in the consumption of goods and services would help give production a new start in all sectors in Canada, in all municipalities, regions, provinces, and territories, thus reducing unemployment and increasing buying power.

Let us keep in mind that the return in a proportion of 75 and 25 in the division of production into consumption and capitalization, instead of a proportion of 60 and 40, will be effected on an estimated national production of $100 billion, which gives even more latitude than in the computation of taxes and personal and corporate income tax.

You cannot say it all in a few paragraphs, or answer in advance all the objections which are a cause of anxiety to Canadians who may feel affected by this correction of our national economy, but let us think right now of the well-being which could be brought to every Canadian home and to every sector of the economy by this injection of several billions of dollars distributed at the rate of $1 a day per child, about $60 a month for students, and around $90 or $150 for unemployed adults with no capital.

Besides, only members of parliament in Canada have the necessary legislative responsibility and authority to so restore the national economic balance, to eliminate inflation, unemployment and poverty in the normal framework of our monetary, economic and political system.

Mr. Speaker, there are many things we could say. I should like to quote from a speech published in the October 8, 1971 edition of *Le Devoir*:

> Having spoken about the Belgian family allowances system, which is a progressive allowance system, Mr. Vermeire expressed concern about the new family allowances schemes proposed by Canada and the province of Quebec. He said: "It seems they wish to grant them only below a definite income ceiling, a definite standard of living. It is the opposite of what it should be. Family allowances are not social welfare but a question of horizontal justice.

We could quote hundreds of similar texts stating that the plan now proposed by the government is unacceptable in such a wealthy country as ours, a country where we have only resources to distribute. Instead of doing so, we are doling this money out, to those who really need it, those who are the real consumers in our society. The family is society's greatest consumer and we need such consumers in Canada. Why then should we deprive our families? They represent the most important consumers in Canada.

The family today has all kinds of needs, unsatisfied needs. And to meet them, our production, which is abundant, is there to serve, to meet to satisfy, the needs of Canadians.

It is therefore up to us to so organize our economy that this abundance be distributed to those who need it, to those who are now deprived in our country, who could consume much more than they do now.

It is up to us to supply them with economic means, give them economic security, the surplus we have in Canada and see that this surplus meets every need. Every human being has his needs and they should all be met in a truly just administration, truly healthy and truly loyal.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, once more I will say to the hon. member for Compton (Mr. Latulippe) that in my opinion, we do not suffer at this time from a lack of consumption. If we study statistics we realize that the province of Quebec, far from witnessing an increase in population, has to cope with a falling birth rate.

It is rather in the rest of the country that we see larger families. I wonder whether the whole policy of the hon. member does not appear concentrated on the province of Quebec rather than on western Canada.

Mr. Latulippe: I speak for all Canadians.

Mr. Lambert (Edmonton West): Mr. Speaker, I do not question the sincerity of my hon. friend, who is an honest man besides being one of my good friends, but when it comes to his economic philosophy!

Having said that, I will now deal with another matter.

[*English*]

Mr. Speaker, the minister the other day almost popped his buttons, in a literal fashion, with pride at what this government has done in connection with what he claims to be an improvement of the income security program. First, he claims in the sector of old age security a guaranteed income supplement. Then, somehow, as a denial of the principle of the words "unemployment insurance", the minister claims that in this field there is a guarantee of security of income. Also, we are told that Bill C-170 represents the third element of this over-all income security plan. But only a fortnight ago we were told that the provinces would have the right to introduce their own schemes and that they would be allocated the resources for so doing. What income security is there in that?

This is relevant to the remarks made by my right hon. friend from Prince Albert (Mr. Diefenbaker) this afternoon as to why the Victoria charter is brought in. There is a *quid pro quo* being brought into the picture. Under this FISP proposal, some of the provinces, may elect to move in their own direction, and this choice has been offered to them seemingly in exchange for acceptance of the Victoria charter by Quebec. At least it is public opinion that this was a *quid pro quo* arrangement, and we certainly heard many trumpetings of joy from the Prime Minister of Quebec. He said this was a great victory over Ottawa.

I find it strange indeed that it should lie in the mouth of any political leader in this country to say there is a victory by some Canadians over other Canadians. The whole principle of this argument is illogical and untrue. There can be no victory of Quebeckers over Albertans; there can be no victory of Ontarians over Quebeckers or other Canadians. No one can say that a province is a victor over the rest of the country. To say that a province is a victor over the rest of the country is dishonest, in my book.

An hon. Member: You said that once before.

[Mr. Latulippe.]

Mr. Lambert (Edmonton West): I will repeat it, because today we have a report of another speech which we will also need to watch very carefully. It is the speech of the Premier of the province of Alberta. We shall see what the reaction of that province will be with regard to this and any similar proposals. It may be he is overstating his case. I have not read the speech; I have only read news reports of it. It may be an overstatement of the case by the Premier of Alberta if only to point out the absurdities that have been created in other cases. So I shall look at this legislative proposal in that context.

First of all, I agree that universality of an income transfer scheme of this kind is patently wrong. A man earning $25,000 a year and whose wife receives, under the Family Allowances Act, say $35 a month or $420 a year, should not be placed in a more fortunate position than the man who has the same number of children but earns only $5,000 a year.

• (2120)

Mr. Benjamin: If it is universal it will not matter.

Mr. Lambert (Edmonton West): The hon. member will have the right to make his own speech. If it is felt that there has to be some change, I would have thought it far simpler and in fact far more equitable to bring any family allowance scheme within taxable income so that any family allowance payment received would be taxed at the marginal rate applicable to that particular taxpayer.

Under this bill we are going to have a different arrangement, and what a bureaucratic nightmare it is! Family allowance will be based on family income for the first time. There are many provisions in the Income Tax Act that deny family income; family income has to be kept separate. But for the purposes of this bill the income is joined. That is the first point.

In addition, during the first year income will be estimated during the base revenue year, which is the previous year, and may bear no relationship to the income in the year in question. Take the case, for example, of a married woman who is working, who becomes pregnant, has her child and ceases to work during the year that follows while the child is still small. She has to base her claim for family allowance for her child on the revenue of herself and her husband for the previous year when she was working. In other words, her family allowance payment will be less than it should be because of the required overstatement of her earnings.

Then, take the case of the husband who is overpaid during a given year because his actual earnings are greater than his estimated earnings. Who is going to make the recovery? Who is going to audit that return? There are provisions in the bill regarding repayments and adjustments, but all of these items call for paperwork on the part of the individual recipient of family allowance as well as on the part of the control branch of the government. Again, it would have been far simpler to take it in as part of income and tax it according to that person's income.

Mr. Benjamin: Make it universal.

Mr. Lambert (Edmonton West): Another point is this. Under the Income Tax Act which we passed late last year there is provision for the payment of child-care allowance before determination of taxable income. The expense of caring for a child has now been introduced into the concept of earning an income. That was accepted in the case of working parents or single parents. There have been some difficulties with the scheme but basically the principle is acceptable. But, strangely enough, under this bill, unless the definition of "income" is to be changed by the regulations, which we have not seen, there is no provision for child-care allowance.

In other words, disqualification for family allowance is based on gross income. Why is there no provision in this bill that deductions from the gross amount payable shall be on the basis of taxable income? I think that would be far better. It would certainly be far better for persons with lower incomes because they would also receive the benefit of the working allowance. That is not provided for in this case.

So, Mr. Speaker, I find that the formula adopted for paying larger amounts to poor families with a large number of children will be horribly complicated, far more complicated than it should be. I do not understand why the government did not use the income tax structure. Why not bring the family allowance program into the income tax collection system operated by the Department of National Revenue?

I heard some members on the government side arguing that in this day and age the principle of universality, without any compensation for old age security, is a wrong principle; that old age security should be added to income, as it is, and taxed. That serves as an adjustment and determines as best we can the transfer of income from those who have large income to those who have less.

The scheme devised in this bill, while I think acceptable in principle as a laudable objective, is being used in the wrong way. In this regard I can ask further questions. In the bill there is no definition of the word "custody" as such, but the bill provides that payment shall be made to the person who has custody of the child. Does this mean that the act as it now stands will in general be followed and that the mother will be regarded as having custody except for a few exceptional cases?

Let me warn the minister that a whole generation, perhaps a generation and a half, of Canadian mothers have become accustomed to receiving a family allowance cheque. Under this bill the cheque is to be made payable to the husband and the minister will be responsible for the beginning of the biggest outbreak, shall I say, of domestic warfare that it would be our misfortune to suffer. So I hope that if only for purposes of domestic felicity—

• (2130)

Mr. Kaplan: Be serious.

Mr. Lambert (Edmonton West): I would ask the hon. member for Don Valley (Mr. Kaplan) to read this statute and understand it. The act provides generally for payment to either parent without any difficulty at all. We are being asked here to improve the act, and I would suggest to the minister that he continue the practice of making the payment to the mother but with sufficient flexibility that in exceptional cases the payment could be made to other than the mother.

Mr. Munro: That is what is intended by the wording.

Mr. Lambert (Edmonton West): I suggest the emphasis may have gone too far. In any event, I think the minister sees very well the point I am attempting to make. Computation of income becomes very important because it is on the basis of family income that the amount of family allowance will be determined. The formula is very complicated. Remember, this is to be subject also to further regulations which will lay down the most minute determination concerning what is income.

One can imagine, when looking at the matter of family income, what it will be deemed to be. Things like board and room may be involved. In order to arrive at the total, is the value of services a man receives to be considered? What about the ma and pa operation? Again, what will be deemed to be family income? Under the Income Tax Act it was very clear.

Then we might look at the definition of "child" as contained in clause 2(1)(c) at the top of page 2 where it reads:

in such circumstances as are prescribed—

That is by regulation.

—a person who has been admitted to Canada as a non-immigrant—

What, at the present time, is the entitlement? It is very simple. In the case of a landed immigrant there is a short waiting period and then the filing of an application, just as in the case of anybody else. These statutes are supposed to be for the benefit of, not the befuddlement of people.

I trust the hon. member to my left and to the rear will read the bill—

Mr. Benjamin: I am merely trying to be helpful.

Mr. Lambert (Edmonton West): —so that he may be able to assist his colleague from Winnipeg South Centre who also is mystified.

An hon. Member: Winnipeg "North" Centre.

Mr. Lambert (Edmonton West): The hon. member for Winnipeg North Centre (Mr. Knowles), yes. I apologize to the hon. member. He will admit to being mystified and the other hon. member will not. If we look at clause 7 subclauses (2) and (3) we will see there is a situation where the level of allowances payable may be varied by order in council depending upon change in the cost of living. The order in council will not be effective until it is brought before this House.

Strangely enough, this is another place wherein I find some disagreement. This act is a statute of the parliament of Canada. The provision of the levels of payment under it will be approved by the Parliament of Canada. The changes will be those proposed under an order in council which will be subject only to an affirmative resolution of this House. I would suggest to the minister that this is wrong and beyond the legislative power, because this is a statute of parliament. Why should a statute of parliament

be reviewed only under resolution of the House? According to the rules of this House, the resolution shall be passed after seven hours of debate. There has not been one iota, one jot or tittle of suggestion of rule changes in the House in respect for affirmative or negative resolutions.

We now have the statutory instruments committee. But will the minister be able to tell us when his colleague will introduce proposals in respect of changes in the rules to provide for this, because the motion must come under government initiative? There is nothing to implement this resolution because the House is impotent to deal with it. There is nothing to define how the resolution will be handled in this House. I suggest attention must be given immediately by the government to introducing a special rule to deal with these affirmative resolutions which appear in the Statutory Instruments Act and which now appear, lo and behold, in this bill. I think the minister will see the point.

Then I wonder what will be the composition of the appeal tribunal. There may be an appeal tribunal under clause 12 on the question of whether any benefit is payable. A person, department, agency or institution may appeal against the decision to a tribunal to be conducted in accordance with the regulations. Is this to be another job for the boys? Are we to have a tribunal going around the country hearing arguments between departmental officials and mothers and fathers? I wonder how much more bureaucracy we will have to set up.

• (2140)

With respect to income and the grounds for appeal we find this provision:

> Where, on an appeal under this act, it is a ground of the appeal that a decision or determination made as to the income of a person was incorrectly made, the appeal on that ground shall in accordance with the regulations be referred for decision to the Tax Review Board—

Now it finally comes within the field of income tax and the Tax Review Board. This would never have arisen in the first place if the definition had referred to taxable income. As I said before, if the family allowance to be paid to all persons making application were taken into income and the level set so that you could achieve the same sort of result as may be obtained from the proposal in this bill, it would be easier to administer.

I suggest to you, Mr. Speaker, that what we have here is a very cumbersome proposal to achieve an end which I would agree has merit but it will require a fantastic amount of adjustment by the recipients of family allowances. It will require a tremendous bureaucracy to administer. It will be an endless bone of contention. There will be all sorts of difficulty. Why do we need such a complicated scheme?

Further, Mr. Speaker, it is possible that some of the provinces may decide that they want none of it. They may decide to maintain only certain minimum levels. Certainly, I do not think there are more than one or two provinces, or possibly three, which could support entirely from their own resources the level of family allowances indicated in this bill. What will be achieved by this bill? What will be the gain? These are questions which must be weighed when dealing with the bill.

Will all the administrative changes, all the upsetting of people be worth a candle if the end result from a social point of view is very little better than the present scheme, and may be even worse? I hope that when the bill goes to committee the minister will come up with a lot of explanations and accept worth-while amendments which might make the legislation much more effective and less objectionable.

Mr. Benjamin: Mr. Speaker, would the hon. member permit a question?

Mr. Lambert (Edmonton West): Certainly.

Mr. Benjamin: Since I am having difficulty about this bill, I ask the hon. member whether he is or is not in favour of universality?

Mr. Lambert (Edmonton West): I think the hon. member is confused about what is meant by universality. If what is meant by universality is that all persons having children can make application and receive a payment, yes I am in favour of that. But I do not agree that there should be uniformity of payment universally on a non-taxable basis. In other words, I insist that you achieve the right result, in fact a better result, by taking the family allowance into taxable income and using your tax system, that which governs all your other income, as a method of recovering moneys to transfer them to the lower income groups from the middle and higher income groups, groups which under this bill will be deprived of payments.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, if I needed any convincing that this was a good bill, and I certainly did not, the arguments that have been put forward by the opposition parties have convinced me that I was right and that it is good legislation.

Mr. Lambert (Edmonton West): It creates a Frankenstein.

Mr. Cullen: The only Frankenstein was the hon. member's attempt to explain what he means by universality. It took him five minutes to answer a 30-second question. Fortunately, he did not have the job of drafting this bill.

The opposition parties have reached out to the point where in some cases their arguments have been ludicrous. We have heard them talk about the difficulty concerning the payments going to the husband or the wife and upsetting domestic tranquility. Then we heard the usual scare tactics. I am sure that one hon. member who spoke this afternoon, when preparing his speech wrote that thousands more bureaucrats would be required. I can just imagine him saying then, "No, that won't have enough impact," so he promptly turned it into "hundreds of thousands more bureaucrats." I am surprised that he would attempt to mislead the House without endeavouring in any way to back up his statement.

Mr. Alexander: As you said last night, this is another lousy speech.

Mr. Cullen: I tried crossing swords with the hon. member last night and came out second best because I was not on my feet, but if he wants to tangle with me tonight I will give him his answer. This afternoon we heard the right hon. member for Prince Albert (Mr. Diefenbaker). I doubt if he touched on the subject matter of the bill. I do not know how long he spoke, but it was probably for the full 40 minutes allowed. Possibly he dealt with the bill for about three minutes. The rest of the time he spoke about oaths of allegiance to the Queen, about how the constitution was being destroyed and how this was a black day for the House. Mr. Speaker, I think he has been saying that every day since he came into the House 30 years ago except during the time when he was prime minister, and then all the doom and gloom he spoke about came true. As a matter of fact, I wonder if he deserves the title of right honourable. I think he is more often wrong than right and more often mischievous than honourable.

I support this bill, Mr. Speaker. I think the government has been courageous. What have members of the opposition said? They have said the bill will be difficult to administer and to interpret. It is the sort of thing that scares them from coming forward in the House and telling us what they really think. We do not know whether they are for universality or against it. One of their members said, "It is a poor bill. This is wrong, that is wrong; but I am going to vote for it." What kind of position is that to take?

Then of all things we have an NDP member getting up and almost deifying Mackenzie King for the wonderful decision he made in 1944, forgetting that in the old days the predecessor of that party used to vilify the Right Hon. Mackenzie King. In fact, listening to the hon. member almost made me think that Mackenzie King was in the House last night. Maybe they are hearing voices from up above; but if they are hearing the voice of Mackenzie King they should pay more attention to it, because it would make a lot more sense than some of their speeches.

The hon. member for Timiskaming (Mr. Peters) was one of those who attacked this bill. Mr. Speaker, I never thought of him as a lobbiest for millionaires, but he gets up and says that the fellow who is making $50,000 a year and has a couple of children should get this money even though we have to tax the fellow earning $5,000 a year, who has three or four children, in order to pay the first man. That is his idea of universality. Members of the NDP say we should give money to everybody and more to those in the lower income bracket. Who could disagree with that? But it must be remembered that they do not have the responsibility of raising the money from the taxpayers, in particular from those in the middle income bracket.

• (2150)

There comes a time when you have to decide that you do not have that kind of money to spend. We do what every government should be doing—we endeavour to help those who need help. We are not giving this money to the $50,000 a year man. We find the people who need help, and help them. What is the other argument of the opposition parties? It is that this bill is complicated. We heard that argument all through the tax bill.

Mr. Alexander: We were right on that.

Mr. Cullen: The reason bills are complicated is to protect the people who will derive benefit under the legislation. The 90 per cent or 98 per cent of the people who will benefit will do so in a routine way; they will get their cheque every month. However, there will be cases where differences will crop up and I suppose this is where the hundreds of thousands of bureaucrats that we heard about this afternoon will have to be put to work. Mr. Speaker, we know that is just not true.

Mr. Alexander: It will work just like unemployment insurance—perfectly!

Mr. Cullen: As a lawyer, Mr. Speaker, I remember that we used to be called upon from time to time to talk on wills and estates. One of the happiest things to happen to a lawyer when he spoke to a group on these subjects was the Ontario succession duty act which was drafted by the Conservatives. The relevant section was almost a page long, without a comma, a period or a question mark. It made comical reading, but it was an example of poor draftmanship. It could have been made very simple. We recognize that governments have to draft legislation to cover every alternative, not so that people will be excluded but so they will be included. They can only be included when they come within the four corners of the act. Anybody can get up and read off a section quickly and make it sound complicated and confusing. What kind of criticism is that? What this bill is trying to do is help people by giving benefits to those on low-income.

Some hon. Members: Hear, hear!

Mr. Cullen: I think the New Democratic Party is misleading the general public. They seem to think that the man earning $4,000 a year who has four or five children will be upset because he has to apply for this benefit or because he will now get two or three times as much money for each child. I do not think that will disturb him at all. The people who will be disturbed are those who were in the income bracket that I was at one time, about $18,000 a year, with two or three children.

Mr. Alexander: You were making more than that. Be honest.

Mr. Cullen: I was talking about when I was a young law student working my way through college.

Some hon. Members: Oh, oh!

Mr. Cullen: Mr. Speaker, those people will be disturbed with the old political platitude that we hear from the Conservative party—when you give something to the Canadian public you cannot take it away from them. If the $12,000 a year or $16,000 a year man is told that he is going to get this, it is political heresy to suggest that it might have been a mistake and perhaps we should be giving the $6 or $12 a month to the people in the $4,000 a year bracket. They are the people who should be getting it and who can use it.

Some hon. Members: Hear, hear!

Mr. Cullen: People are going to be upset, particularly the wives of good friends of mine who will no longer be receiving the family allowance, or mothers allowance as it has come to be called. But, Mr. Speaker, I think that any politician could go on a platform, debate that question with anybody and point out that the person in the low-income bracket needs this money much more than the person in the $12,000 a year bracket. I would be happy to debate that question on any platform, except with my wife who will no longer be receiving it, at least until the next election.

Mr. Alexander: What does she say about it?

Mr. Cullen: Mr. Speaker, I support this legislation because it is one more example of the courageous stand that the government is prepared to take with legislation that is difficult. Putting through the Criminal Code omnibus bill was a long and difficult procedure, but how right it was. Notwithstanding the fact it would be difficult to put through the House, this government amended it and put it through. Then there was the tax reform bill.

Here we have a bill that I think the public of Canada is prepared to accept. I do not fear the bureaucracy of Canada, Mr. Speaker. I hear this condemnation from the opposition parties: The rotten old bureaucracy; they are always trying to build their empires. We have the best civil service of any country in the world.

Some hon. Members: Hear, hear!

Mr. Cullen: Occasionally there is a rotten apple in the barrel, but that is bound to happen with the thousands of civil servants we have. I suggest that by and large the people who administer these laws are doing the best they can to make them easy to understand and to help people who need assistance. These people come before our committees and we speak to them individually, yet we come here and hear the general condemnation that they are bureaucrats. Mr. Speaker, these bureaucrats are doing Canada a great service. Most of the time they are civil and most of the time they recognize that they are the servants of the people. I do not think we want them to be subservient.

We tend to forget that sometimes the person making an application for money is wrong, not the bureaucrat. But the bureaucrat has to tell him that he does not qualify under the act, and that makes him a bad bureaucrat in the eyes of many people. Mr. Speaker, I shall not take any more time because I see we are reaching the closing hour.

Mr. Alexander: Go ahead. Praise the government some more.

Mr. Cullen: I do not think this government needs any more praise. We find that our popularity is going up and Conservative popularity is going down, although it is hard to go down when you are at the bottom of the pile. This bill does not need a lot of shouting or support. It is doing what governments are elected to do, namely, to see the need and to fill it. I am proud to support this bill.

Mr. Benjamin: Mr. Speaker, would the hon. member permit a question?

[Mr. Cullen.]

The Acting Speaker (Mr. Laniel): The hon. member knows that he can ask a question only if the hon. member who has just resumed his seat accepts it. Is the hon. member willing to accept a question?

Mr. Cullen: Yes, Mr. Speaker.

Mr. Benjamin: May I ask the hon. member whether he is for or against universality?

Mr. Cullen: Mr. Speaker, I am against universality when it does the kind of thing that the old bill did, that is, give money to people who do not need it.

Mr. Benjamin: Would the hon. member be kind enough to allow another question? If he is against universality, would he apply this principle to farmers who receive acreage payments, or any other category of Canadians who receive large payments?

Mr. Cullen: Mr. Speaker, it is ten o'clock and I am not going to fall into that trap.

An hon. Member: That was a good way out.

Mr. Bell: I wondered who was going to call it ten o'clock.

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, perhaps the acting House leader or the parliamentary secretary would confirm what business the government intends to place before Parliament tomorrow.

Mr. Deachman: Perhaps I could answer, Mr. Speaker. I am advised that we will take up the Canada Labour Code, Bill C-183. If we complete that we would return to Bill C-170, family allowances. If we glide smoothly through that we would return to Bill C-4 respecting the CNR, after that explosives and hijacking and then dissolve the House.

Mr. MacLean: Could the parliamentary secretary tell the House what he expects the government to place before us immediately after that, some time in June?

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, once the House is dissolved how can anything be placed before us?

PROCEEDINGS ON ADJOURNMENT MOTION

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

IMMIGRATION—COMPLAINTS BY TORONTO POLICE ABOUT DIFFICULTY IN OBTAINING DEPORTATION ORDERS

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, Canada has many immigrants. In this century Canada has admitted approximately three million immigrants to its shores.

These people from various countries who have settled here have contributed significantly to our growth and to our development in every field.

• (2200)

In March, 1967, the government introduced the Immigration Appeal Board Act. It was passed by Parliament and was intended to remove ministerial discretion in the great majority of deportation cases and allow a court set up under the statute to deal with appeals from deportation. Since the new immigration regulations of September, 1967, which instituted an assessment system and removed geographical limitations and other discriminatory factors, an unexpected and unprecedented number of applications by people wishing to settle in Canada has been received by Canadian immigration authorities.

These potential immigrants saw Canada, with its freedom, its beauty, richness and great potential, as the best place in the world in which to live. Consequently, immigration offices both at home and abroad have been flooded with many applications. Unfortunately, since many visitors to Canada have decided to stay and ask for landed immigrant status the processing of these applications in Canada has become very complex and long. When rejected by immigration officials applicants have the right of appeal to the Immigration Appeal Board. Today I learned that there is a backlog of about 7,000 cases involving appeals from deportation orders. These cases are awaiting decisions by the Immigration Appeal Board.

Mr. Benjamin: They are all going to lose, too.

Mr. Haidasz: Apart from these people there are in this country many so-called deserters, draft-dodgers and others who have drifted to Canada from the United States. They have compounded the problem. I have received many representations from my constituents and have also been in contact with people concerned, especially in Toronto, about this matter. These people tell me that waiting two or three years to be heard involves great hardship for them. That is why I think the Immigration Appeal Board Act should be amended to provide for at least double the number of Immigration Appeal Board officials who could hear this great backlog of cases.

Mr. Benjamin: Notice who is on the board now: they are ex-members of the Liberal party.

Mr. Haidasz: Furthermore, Mr. Speaker, the difficulty has been compounded by fugitives or people wanted by the police. People like that have come to this country and have created problems for our police forces and the police forces of other countries who are seeking them. The Toronto police department, especially, has complained about problems in this regard. They want amendments made to the act and procedures in immigration offices, especially in Toronto, improved in order that they can deal with these cases swiftly and justly. Tonight, I hope that I will be given a reassuring answer by the Parliamentary Secretary to the Minister of Manpower and Immigration, (Mr. Perrault) as to whether there is in the making any policy which will help solve this complex problem.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, we have investigated the circumstances of the issue raised by the hon. member for Parkdale (Mr. Haidasz) with respect to general immigration policy and charges made by a member of the Toronto police department to the effect that recourse to extradition proceedings has to be made in removing from Canada unwanted criminals, rather than deportation proceedings, because of what was quoted as ineptitude and delays on the department's part in carrying out its responsibilities. In our view this is a completely unfair and unfounded charge.

As all hon. members know, while there are delays in the holding of certain immigration inquiries for people not able to comply with our laws, this is not the case in so far as persons arrested under the provisions of the Immigration Act, who are known and wanted fugitives from justice, are concerned. The Immigration Act is very explicit in indicating that such proceedings under the Immigration Act must be taken immediately, and this is being done. Persons so arrested and ordered deported do, however, have the right of appeal against their deportation to the independent Immigration Appeal Board.

It is also a known fact that this independent board is faced with a substantial backlog which is resulting in delays in the hearing of appeals. Indeed, the former minister of manpower and immigration tabled a report to the government by an eminent legal authority, Mr. Joseph Sedgwick, some time ago on this situation and subsequently indicated on several occasions in this House that measures were being examined to attempt to reduce the total time lapse between the ordering of deportation and its implementation. Just as soon as it is possible to accomplish this, I assure the House that it will be done. In the meantime, police authorities are of course free to choose the alternate extradition method if they consider it more expeditious.

PUBLIC SERVICE—REQUEST FOR INFORMATION ON RECOMMENDATIONS RESPECTING STAFF RELATIONS ACT AND TABLING OF BRYDEN REPORT

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, on March 7, in response to my question about the Bryden report, the President of the Privy Council Mr. MacEachen), informed me that it was not his intention to table this report or to take legislative action on it at this session of Parliament. Today, in answer to a question by the hon. member for Winnipeg North Centre (Mr. Knowles), he reiterated this stand.

This fresh questioning was undoubtedly triggered by the fact that both the executive director of the Professional Institute of the Public Service of Canada and the president of the Public Service Alliance of Canada recently have written strong letters to the government demanding publication of the Bryden report. It took several months to prepare this document at the taxpayers' expense a year ago. Time and care went into its preparation. All staff associations submitted extensive briefs which were made public.

However, the brief submitted by Treasury Board has been kept secret. Why? What does it contain that the

government fears to release at this time? What does the Bryden report include in the way of recommendations that the government is so anxious to keep from the light of day? Is the government afraid that if the report is released the public will demand that action be taken in this session of parliament, before an election? Why is the government determined not to trust either the public service or the public with the facts and recommendations contained in the report?

This matter involves a quarter of a million federal public servants. With their families they number approximately a million Canadians, about one in twenty of the population. Why should all these people be kept up against a blank wall indefinitely? Changing conditions over the past few years have resulted in amendments to the Public Service Staff Relations Act which were not only desirable but vitally necessary. The field of subjects included in collective bargaining needs to be widened to include such matters as classification and superannuation.

• (2210)

The legislation as it stands actually favours strike action as a solution of deadlocks because so few matters can now be dealt with by arbitration. But even this procedure is very limited and needs amendment so as to make provision for the services of an independent adjudicator. These are only a few of the more urgent amendments required.

Before the Public Service Staff Relations Act was passed some years ago, the Heeney report was prepared and tabled in Parliament. Now that the act needs amendment, why cannot the Bryden report be tabled in its turn? The answer may lie in the different attitudes of government toward the public service then and now. It used to be considered unsporting for a minister publicly to attack a civil servant. Now we hear a minister publicly branding a member of his staff as stupid, without giving him any opportunity of defending himself.

It would be difficult to imagine Prime Minister Pearson, when asked about collective bargaining in the public service, replying that the staff associations and unions appeared to be suffering from "insufficiency of thought" in connection with the problems arising from public staff relations, and that they were not helping the government to find better solutions. But we hear this from our present Prime Minister (Mr. Trudeau) whose government refuses to release a report which is vital to the processes of collective bargaining in the public service. What the government appears to suffer from as far as the Bryden report is concerned is insufficiency of action.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker—

Mr. Knowles (Winnipeg North Centre): Here's your chance.

Mr. Jerome: I have had more chances than I am accustomed to in one day. No one questions the importance of the subject of collective bargaining in the public service or of the importance of collective bargaining generally. Certainly, we do not question the importance of the study in that regard or the importance in the minds of the

[Mrs. MacInnis.]

Canadian people of the questions which have been raised by the hon. member. But nothing the hon. member has said changes the situation respecting the general picture as to the disposition of studies prepared for the confidential use of the government.

The time to decide about the release of these documents is when a study is being prepared, because the decision will affect the manner in which it is conducted and the way in which the report is compiled. It would not be good enough to tell the people who have conducted such a study, after it had been prepared, that one had changed one's mind on the question of releasing it. If a specific undertaking has been given, the people who have prepared the study are entitled to rely on consistency of thought in that regard.

Whether or not the hon. member agrees with what was done, the fact is that those were the terms under which the study was prepared and those are the terms in which the government views the situation at the present time. And, as has been already stated by the President of the Privy Council (Mr. MacEachen), this is a document intended for the confidential use of the government and will not be tabled. I can only confirm that legislative action on the basis of that study is not contemplated during the present session. Those are the only remarks I have to make on the subject at this time.

Mr. Knowles (Winnipeg North Centre): I thought you believed in an open society.

FINANCE—POSSIBLE REDEMPTION OF THREE PER CENT PERPETUAL BONDS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on March 21 I put a question to the Minister of Finance (Mr. Turner) with reference to the government's plans, if any, to redeem the so-called perpetual bond issue put out in 1936. To set the record straight, at that time, on a point of order, I suggested the minister had not answered my correspondence on two occasions. I want it to be clear that I was referring to only one letter of September 20 which concerned the matter of criminal law reform. It was only one letter that he did not answer with regard to the question I asked him on March 21.

The minister has since replied, though to my way of thinking in a most unsatisfactory manner. It seems obvious to me that a government which can devise such a cumbersome and complex tax reform bill as we saw recently could certainly devise a plan which would be equitable to those who in 1936 invested to the tune of $55 million in the future of this country and who have since seen their investment eroded to the point at which it is almost a joke.

I doubt very much if the 1936 perpetual bonds could be sold for more than $50 at the most, perhaps for only $40 per $100 of their par value. To me this is nothing less than a national disgrace. It is hardly creditable for a country such as Canada, which purports to be one of the world's leading financial nations, to put out an official government issue which compares with some of the Russian or Chinese bonds issued early in the nineteenth century.

It is strange to me that the Minister of Finance cannot recognize the hardship inflicted upon Canadians who have been holding these bonds which are now returning about 3.1 per cent in interest. Surely the Minister of Finance could devise some plan, based on random serial numbers or otherwise, which would alleviate the hardship which these investors have encountered since 1936. That is about the year in which I was born, Mr. Speaker. I realize I have depreciated a great deal since that time, but not as much as these bonds, I suggest.

This is a matter of concern. Surely a country's bonds are a measure of its integrity. As a Canadian and a member of parliament I am embarrassed to think that a bond issue involving some $50 million should have earned such an ill reputation on the bond market that it should have sunk to its present level. It seems to me, despite the minister's comments in page 2 of his letter to me, that he should recognize that redemption of these bonds has become a matter of national conscience.

It may well be said that to redeem these bonds would be to create a precedent which would suggest to anyone with an investment, government or otherwise, that something should be done to make certain that their investment is protected. This is not the case. When a government guarantees that bonds will be redeemable at par, a person has fair warning when they buy the bonds. Here we have a bond issue and there is no guarantee when they will be redeemed. As far as the people who are unfortunate enough to hold the bonds are concerned, they have something that is worth practically nothing. It is true that they could perhaps get $40 or $50 for these bonds, but there is no guarantee that they will get their money back at any particular time. The very stigma attached to these bonds should make them an embarrassment to a country such as Canada.

It seems to me that all the minister has to do is accept the fact that these bonds are unique both in terms of their perpetual nature and their low yield. Does the minister not think that these bonds deserve special treatment, contrary to the observation in his letter to me? I suggest that they do, that this is an important enough issue for the Minister of Finance to address himself to it immediately and give very real thought to correcting what is a blot on the financial reputation and record of this or any government.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am happy to have the situation clarified regarding the two letters. We were able to locate only the one letter dealing with this subject, but I will be happy to check into the previous letter, which I gather dealt with another subject, and see just what the situation is.

As for the subject raised by the hon. member, the concern is that these perpetual bonds are marketable and that their price is determined in the bond market. In his letter the minister indicated that he was aware that a number of persons who were holders of these bonds could ill afford the capital loss that would be involved in selling at current market prices.

A good deal of consideration has been given to this problem, including, as suggested by the hon. member, recalling these bonds on the basis of random serial numbers. Unfortunately, all such proposals carried with them the implication of protecting investors in marketable securities from the vagaries of the market. To accept this principle, even in circumstances designed to alleviate hardship, would in the opinion of the minister lead, quite understandably, to demands for similar treatment by all other investors in government of Canada marketable securities selling below their issue price. In these circumstances it was felt that this is not an undertaking into which the government would like to launch itself.

Motion agreed to and the House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Wednesday, March 29, 1972

The House met at 2 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Ottawa, March 29, 1972

Sir,

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 29th day of March, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
Louis-Frémont Trudeau
Brigadier General
Assistant Secretary to the Governor General.

ROUTINE PROCEEDINGS

FINANCE

TABLING OF REPORT, "PRIVATE AND PUBLIC INVESTMENT IN CANADA, OUTLOOK, 1972"

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, on behalf of the Minister of Industry, Trade and Commerce I would like to table, pursuant to Standing Order 41(2), copies in both official languages of the joint report by Statistics Canada and the Department of Industry, Trade and Commerce entitled, "Private and Public Investment in Canada, Outlook, 1972".

* * *

DRUGS

LE DAIN REPORT—STATEMENT ON GOVERNMENT ACTION ON RECOMMENDATIONS CONCERNING TREATMENT OF ADDICTS

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I undertook some time ago to make a statement to the House concerning the government's reaction to the remaining recommendations of the last instalment of the Le Dain report on treatment. I am pleased to indicate to the House the action taken to date by the government relative to the report on treatment.

As hon. members are aware, this report was submitted to the government only a few weeks ago. We have already taken significant steps to implement major recommendations contained in the commission's report. These may be summarized as follows: First, with regard to methadone maintenance, recognizing the necessity to rationalize treatment of opiate dependence I announced in the House on February 24, 1972, government action to control the drug methadone used in treatment of heroin dependent persons. I am pleased to announce that my officials are completing arrangements for the designation of physicians who will be authorized to use methadone.

Those so authorized will be considered to possess the necessary expertise and will have available to them necessary facilities and ancillary services to properly utilize methadone. Principles to be used in determining the criteria for good medical practice in the use of this drug are in full agreement with recommendations in this area by the commission.

• (1410)

Hon. members will be pleased to learn that full support for the government's action to control methadone use is being received from the medical profession. The methadone control program I announced on February 24 is expected to be fully operational by June 1, 1972.

Second, heroin maintenance. Included among the recommendations in the commission's report was one which dealt with maintenance of heroin addicts by providing them with heroin. The commission concluded that heroin should be made available for administration by physicians to heroin dependent persons, under very strictly controlled conditions. As I have indicated on several occasions, I felt it advisable to withhold comment on this recommendation pending careful study of it. This study now has been completed and I wish to indicate the government's views on the commission's recommendation.

In arriving at a position on the recommendation I have, of course, been aware of the views expressed by Canadian physicians regarding a heroin maintenance program. As some hon. members may be aware, the Canadian Medical Association has stated it disagrees "in the strongest possible terms" with any program of providing heroin to those dependent on the drug.

Having carefully considered all the factors involved, I have concluded that if patients must be maintained on an opiate drug, use of methadone is to be preferred, on both medical and social grounds, to use of heroin. Furthermore, the possibility of abuse of a heroin maintenance program is intrinsically high, even if one considers the safeguards suggested by the commission. For these reasons the government cannot accept the recommendation

of the commission of inquiry relating to heroin maintenance. We agree with the Canadian Medical Association that there is no place for such a method of treatment in the Canadian setting.

Third, treatment of rehabilitation facilities. Officials of my department have been actively engaged in discussions with their counterparts associated with treatment and rehabilitation facilities for opiate dependent persons. These discussions have centred on the need to establish criteria for the evaluation of treatment programs and the necessity of periodic reappraisal of their effectiveness.

Fourth, use of amphetamines. I announced in the House on February 24 plans to limit the use of amphetamines to the treatment of two relatively rare medical disorders. Physicians wishing to use amphetamines for these two conditions will be required to receive authorization from me for this purpose. Amphetamines will not be permitted for use in the treatment of obesity as with so-called diet pills. Details of the administration of this program are now being worked out in conjunction with the medical profession. Plans are under way to convene an expert advisory group to consider the feasibility of developing an effective amphetamine antagonist and consideration is being given to sponsorship of research in this area.

Fifth, treatment manual. The treatment manual presented in the commission's report is being enlarged and brought up to date through the co-operation of medical consultants. The revised manual will be sent to all physicians in Canada within the next few months.

Sixth, therapeutic communities. Recognizing the general validity of the commission's recommendations regarding the value of therapeutic communities, my department has provided funds to assist a therapeutic community in British Columbia and is completing final details relative to the provision of financial assistance to a second therapeutic community in the Montreal area. Research and evaluation of the effectiveness of these communities are integral parts of the programs.

Seventh, the treatment of alcoholism. My department agrees that alcohol is the most widespread drug dependence problem. Consultations are being held with provincial governments and key provincial agencies to determine what form of assistance the federal government might most appropriately provide in the fields of prevention, education, treatment and rehabilitation of alcohol dependent persons.

May I say in closing, Mr. Speaker, that the commission has identified a number of community treatment service needs for drug and drug related problems. My department had already responded to some of these needs—information for parents and teachers and the development of laboratory services are good examples—and will continue to promote fulfilment of these needs through its non medical use of drugs programs.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I want to congratulate the Minister of National Health and Welfare (Mr. Munro). This is the quickest action I have ever seen from this government. It was just yesterday that I asked the Minister of Justice (Mr. Lang) about the drug heroin about which the minister has spoken. If we can get this type of reaction every day, let's keep it up.

[Mr. Munro.]

The minister spoke of the rationalization of the methadone treatment and the appointment of doctors who are skilled in the art of treating this particular type of addict, and has seen fit to reject the report of his own commission, one which was in keeping with the report of the research committee of the American bar association which only a couple of weeks ago stated that after a full survey it had reached the conclusion that federal centres should be set up across the United States for the treatment of heroin addiction. This is very similar to the recommendation of the minister's commission which proposed allowing physicians to treat heroin addicts across Canada under strict conditions.

However, the Canadian Medical Association after looking at the situation felt, I believe rightly, that there are two sides to this coin, one being the art of interference with the medical profession and their conscience and the other being the power of government to do as they like. You have those two sides of the coin to keep in mind. However, as I say, the CMA after looking at the situation did back the idea the minister has expressed and felt it was safer to treat heroin addiction through the use of methadone in properly oriented centres. The reasoning behind this is obvious. Research facilities are necessary if one is to know how a heroin addict is progressing during his methadone treatment and whether or not the result has been successful. It has to be accepted that this is scientifically necessary in connection with the treatment which addicts ought to take.

The minister went on to speak of the use of treatment and rehabilitation centres. I am not quite clear what he meant in this regard. I am sure the medical profession has not heard of this. I do not believe the minister has consulted the CMA, any other medically oriented body of which I am aware, or the provinces. If he has, we would like to know about it.

This brings me to another point. The minister has often made excuses for not taking action on the ground that he cannot interfere with health and welfare arrangements or seek to control the medical profession because these are areas within provincial jurisdiction. But in this case he takes another position entirely, as far as I can see. He also states that amphetamines have a limited use in the treatment of two relatively rare disorders and that physicians using amphetamines for the treatment of these disorders will be required to obtain authorization. I am sure the minister intended to add "on the advice of medical commissions or medical experts in their particular fields."

• (1420)

The minister said that amphetamines would not be used in diet pills, and we approve of that. However, amphetamines and like drugs are used for other purposes, and used medically correctly. I hope that the minister is not regarding this as a criterion for stepping in and interfering with proper medical practice in this or any other field. On occasion he has stubbed his toe. I need only remind him of the interference that took place in the use of diet on diabetic sweeteners for sugar not so long ago. I am sure he recalls that.

However, I do want to congratulate him for something. It has taken me a long time to get the minister around to

realizing and to expressing in the House the fact that alcohol is the most widespread drug dependent problem in Canada and costs us more than the rest of the addictions put together. I congratulate the minister for finally realizing that. I knew that if I kept after him long enough, some day he would get up in this House and agree with me. For that I am very grateful.

Some hon. Members: Hear, hear!

Mr. Rynard: We may also be making a start on educating young people of the age to consume alcohol, of the dangers thereof. I sincerely congratulate the minister for taking this step. I also appreciate the fact that he is setting up centres for this purpose. On the whole, Mr. Speaker, I agree with many of the points made by the minister but I ask him to keep in mind that this must not be considered any criterion for interfering with good medical practice or the conscience of the doctor. As the minister said in his statement, this matter falls under the provinces and the medical profession and it is they who must exercise the necessary discipline.

Mr. Frank Howard (Skeena): Mr. Speaker, this is the second declaration or statement by the minister to the House during the past month or five weeks which we have had to chew, ingest and digest. Fortunately, we have not yet become addicted to the same sort of approach that is advocated by the minister in his statement. With one exception, I look upon the minister's statement as a sort of expanded progress report on the statement that he made on February 24.

With regard to the use of methadone for the maintenance of addicts, the minister has gone a little further in his statement than he went earlier. He said that they are now in the process of selecting those members of the medical profession who will be considered to possess the necessary expertise and they will be authorized to use the necessary facilities and ancillary services that will be made available to them properly to utilize methadone.

However, I suggest that this is a rather vague and ambiguous statement. What is the necessary expertise that a doctor must have? What are the criteria which are to be established? Again, where will methadone be administered? I take it from the February 24 statement that it will be administered in conjunction with the clinics. If that carries with it the implication that these clinics will be in urban areas only, then to the extent that methadone maintenance may have some value, the people living in rural areas and small communities will be precluded from taking advantage of the program.

I suggest that the whole of the medical profession must be involved in the methadone maintenance treatment program so that addicts who want to cease using heroin and move on to the methadone maintenance program will be able to avail themselves of it no matter where they live in Canada. To confine the program to metropolitan areas where there are clinics at the moment would, I think, do a disservice to any value that methadone maintenance may have.

The minister stated that the medical profession is in full support of the government's program to control methadone and the like. I am not overly impressed with the opinion of the medical profession as to what methadone is or can be. I do not know of any doctor who uses methadone and I wonder how doctors can know what it is all about. I do know, as I am sure other hon. members do, from conversations with former heroin addicts who have given it up and moved on to the use of methadone that they contend that methadone, its after effects and addiction are worse than heroin itself. I understand that the idea is still endorsed by the state that a person can take intravenously or orally a chemical in order to create for him an internal condition that permits him to escape from reality. This is still the promotion of an addiction type program.

I foresee that when there is a shortage of heroin, heroin addicts will be moving in to see these doctors, who will be chosen for having the necessary expertise, and simply using the methadone program as a substitute for heroin addiction during the time there is a shortage of heroin. As soon as the supply picks up they will go back to the use of heroin. The idea behind methadone maintenance carries with it relatively little in the field of rehabilitation or the moving away from addiction to drugs, because methadone is a drug and the state is saying, "We endorse the concept that you as an individual should continue an existence which is dependent upon a drug, and we classify methadone as a drug that is legal." But this does not touch the core of the problem at all.

The valuable part of the minister's statement—I congratulate him for it, but say he should have done this the day the Le Dain report was made public; he did not have to wait for an opinion on it—was his reference to the fact that heroin should be used and given a semi-legal status to support or maintain an addict where the individual may not desire to follow the methadone treatment, for whatever value that may have for the individual. The minister will recall that on February 24 I made this suggestion to him, and I am glad he has accepted my advice so quickly.

The minister also talks in the statement about therapeutic communities, as did the Le Dain commission, in respect of treatment. The Le Dain commission expressed some very commendable thoughts about therapeutic communities as mentioned both in its treatment report and its first or interim report in which was mentioned, with some commendation, the X-Kalay Foundation program which has been in existence in Vancouver for some time and which now has expanded and moved into Winnipeg. I am pleased that the department, the minister and the government have understood this and are providing some financial support and assistance to the only therapeutic community in British Columbia, as well as doing something about establishing one in Montreal.

I think the minister would be well advised to extend this area of activity of his department and financially support therapeutic communities far beyond the program he has announced. Such communities could be of value to addicts wherever there is need, such as in Vancouver, Montreal, Toronto and other large centres. Having accepted the value of the X-Kalay Foundation, I am convinced that without further examination or study the government should very quickly extend its support.

• (1430)

In respect of the social question, the statement moves away from the need to make a major assessment as to why people, especially younger people, are social dropouts, why there is cynicism among the younger generation, why they reject the values which have been established and built up over the years and why they turn away from the realities of life and substitute the intake of a chemical, no matter of what sort, in order to create for them some kind of subculture within which they feel comfortable.

I think something must be done to establish a different form of society. We should try to create a concept in society that will be acceptable to people so they will not want to take alcohol, heroin, methadone or any other drug in order to live in an unreal situation. The statement misses completely the fact that there are 10, 11 and 12-year old children in this nation and in North America generally who are addicted to heroin and who reached that state by the route suggested by their peers through the intake of chemicals. The statement also misses the point completely that 6, 7 and 8-year old children are able to go to a hobby shop, purchase glue, get high and damage themselves mentally and internally.

In the past few years there has been a fantastic increase in drug abuse. There has been a fantastic increase in the number of people using alcohol, methadone, marijuana, acid and all the other chemicals and psychotropic drugs. The statement of the minister does not do much to cope with this problem and unless something more positive and worth while is done we will have a steady increase in the use of drugs and a year from now we will be in an even worse position.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I am sure the Canadian people will be happy to learn about the decision just announced by the Minister of National Health and Welfare (Mr. Munro) in which the government took into account the recommendations of several Canadian doctors who, upon publication of the Le Dain report, expressed their views on the dangers of drug abuse both under medical control and clandestine.

Mr. Speaker, drug abuse has caused considerable ravages in Canada to date. A commission of ten doctors reported, after the publication of the first volume of the Le Dain report, that in British Columbia alone, 10,000 adults use heroin illegally and that the use of LSD is increasing considerably among the young especially. In addition, marijuana and hashish continue to attract ever more young Canadians.

The House is now studying a program against the illegal use of drugs, with the co-operation of the medical corps. But, to my mind, we have waited too long before taking efficient steps against the use of drugs.

Only a few years ago, sale or distribution of heroin, opium and drugs of all kinds were limited to adults. However, the pushers discovered, in universities, CEGEP's and even secondary schools, a potential clientele lured by the kicks to be derived from the use of drugs.

We therefore witnessed the development of what I shall call a shocking trade with young people in our schools.

And there have been instances, particularly recently, of both Canadian and American police seizing enormous quantities of drugs of all kinds. Nevertheless, distribution continues even at school levels.

Therefore, to be consistent in this fight against drug abuse, a major publicity campaign should be launched first of all, geared more particularly to young people, to make them aware of the deleterious effects of drugs. There should be a concurrent fight against the drug-distributing mafia, which seems to be very well organized.

In closing, Mr. Speaker, I am also gratified to see that the minister's release includes a very small paragraph about alcoholism. There again, Mr. Speaker, government coffers are being filled year after year by taxes derived from sales of spirits, but so far very little action is being taken and very little money spent for an anti-alcoholism campaign in Canada. In recent years, the provinces have launched such an offensive, which so far the federal government has not participated in.

I therefore urge the minister to consider the problem and to have his officials, the physicians employed by his department, also study it and give it all the attention it warrants. I think this will benefit all Canadians.

* * *

[*English*]

AGRICULTURE

ANNOUNCEMENT OF INCREASE IN BASE SUPPORT PRICE FOR MANUFACTURING MILK

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have an announcement with respect to dairy policy for the year starting April 1, 1972. The Canadian Dairy Commission has been authorized to implement a program for the coming year that will permit a substantial increase in the base support level for manufacturing milk.

While prices paid to producers for milk are a matter of provincial jurisdiction, the program will provide for an increase in the support price of the order of approximately 20 cents or more per hundred pounds of milk. The Canadian Dairy Commission has been authorized to pay a subsidy on manufacturing milk and cream under its quota system at the same rate as in the year just ending; that is, $1.25 per hundred pounds of milk testing 3.5 per cent butterfat, or 35.71 cents per pound butterfat. The price at which the commission offers to purchase skim milk powder in support of the market price will be 29 cents per pound, up 3 cents from the present level of 26 cents.

There will be no change for the present in the commission's purchase price of butter, which is 68 cents per pound, or of cheddar cheese which is 54 cents per pound. The market price of cheddar cheese has been well above that support level since last July. Emphasis in the program on skim milk powder will provide a better balance between butter and cheese production and should avoid the possibility of the overproduction of cheese.

There is a holdback from payments to producers to finance the cost of disposing of surplus dairy products, mainly skim milk powder, exported at prices below Canadian support levels. While the Canadian support

price for powder is being raised by 3 cents a pound, the holdback on each milk shipper's deliveries within his quota will be retained at the 1971 level of 10 cents per hundred pounds of milk. This is possible because of the greatly improved export price. There will be no holdback on cream deliveries within quotas. While the threshold at which over-quota holdbacks apply will revert to the quota level, production patterns will be closely watched and, should production so warrant, exemption levels can be reinstituted retroactively. I refer to the 10 per cent quota threshold.

The program for the coming year, plus the steps taken in the year just ending, and the quota arrangements provide a price to producers which should ensure adequate supplies without risk of serious butterfat surpluses.

• (1440)

The commission's support prices for skim milk powder and cheddar cheese were increased in February, 1971. There was a further upward adjustment in those prices last August, as well as in the butter price. As a result, a downward trend in production was arrested in the last quarter of 1971 and production is now on an upturn. The arrangements for the coming year should consolidate that trend and ensure adequate supplies for Canadian consumers.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I wish to express our thanks and appreciation to the minister for having provided us with a copy of his announcement on our entry into the House. I should like to say that this announcement is not unexpected; as a matter of fact, it is a policy that for many months has been vigorously pressed for by the entire dairy industry. This policy cannot be attributed solely to the political expediency of an approaching general election but is, rather, an act of desperation.

Some hon. Members: Oh, oh!

Mr. Danforth: It is an indication of another attempt by the government to use the taxpayers' dollars to buy themselves out of a misinterpretation and lack of proper assessment of a major Canadian problem. It is an outright admission by this government that the policy which they have instituted for the Canadian dairy industry during their term of office has been tragically wrong, in its thrust and in its ramifications, for the industry.

Some hon. Members: Hear, hear!

Mr. Danforth: As a result of that policy hundreds of thousands of small cream producers have been put out of business, many of the best herds in Canada have been dispersed completely and small cheese factories have been closed down never to reopen. Now the government expects that through the payment of more money at this time they will reinstate the dairy industry of Canada.

The government's policy has resulted in consumers having to pay more for butter and cheese than ever before in the history of this country. It has resulted, for the first time in Canadian history, in producers of agricultural products actually being fined for production. We have seen chaos in the industry. The government was warned of this by all opposition parties in the House and by the entire dairy industry of Canada. They deliberately introduced a policy of cutbacks in Canadian production at a time when every international food gathering in the world was forecasting a drop in dairy and protein production, saying that it would be necessary for dairy production to be increased rather than decreased.

The final sentence in the minister's statement reads:

> The arrangements for the coming year should consolidate that trend and ensure adequate supplies for Canadian consumers.

This is not a statement made in face of the facts but is, rather, a prayer on behalf of the government. To that prayer I say amen.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker—

Mr. McBride: Hear, hear!

Mr. Gleave: It is very kind of the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) to cheer me on.

An hon. Member: You need some cheering.

Mr. Gleave: It would have been better had the cheering come from the minister. The objectives mentioned in the statement are laudable enough. The government hopes to achieve in this year a balance between supply and demand, to correct the errors made last year when we had a shortfall and to increase payments by a small amount.

I should like to take this opportunity to point out to the minister that certain areas of this policy are in need of adjustment and correction. This dairy policy is probably the beginning of a first major supply management program in a major food area of this country. It is an attempt to achieve a balance between production and consumption. In the process, a great deal of injustice has been done to some small producers in this country and I point out to the minister that these injustices have not yet been corrected. It should be a major concern of the government to correct these injustices, especially in western Canada where cream producers have been denied quotas which they cannot get back. The least the minister could do is correct these injustices.

I know that some producers are getting their payments back, but many are being left out and are being told to buy another herd or to buy another quota. It is a large enough problem for farmers, particularly small farmers, in this day and age to meet the capital costs of machinery and land, without having imposed upon them another capital cost which will be a burden on their farming operations. The minister's department should look at the situation of producers who have continued to produce cream with a minimum return and should now be given a quota. Those who were held down to a low quota should be given an additional quota.

I say to the minister, also, that if we are to have supply management for food, attention should be paid to people who have such a low level of income that they cannot readily purchase adequate supplies of protein which is available in skim milk powder and dairy products. The government should be working on a program to make protein available to the disadvantaged people in our community, and by that I mean the total community of

Canada. I hope that one day he will stand in the House and announce such a policy.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the Minister of Agriculture (Mr. Olson) has anticipated our desires today. I had intended to ask him whether the new 1972-73 dairy policy would soon be announced. I thank the minister for having sent us a copy of his statement at the beginning of the sitting.

We are pleased to note that the dairy industry is now popular in Canada. Once, we used to refer somewhat diffidently to the dairy industry in the House, because it was considered as a secondary industry operated by uninteresting, deficient or uneducated people.

I now realize that all Canadians, including hon. members, are concerned with that vital industry whose annual production is worth $2 billion. Indeed, the industry supports to a large extent the rural areas which are more seriously affected by losses of income or unemployment.

• (1450)

Mr. Speaker, there is more still. This industry helps provide some 300,000 jobs, most of them outside the farm. So, this industry concerns all Canadians because not only on farms but outside as well in villages and even in cities there are people who depend on that industry.

I would also say that the subsidies received by industrial milk and cream producers or others in the dairy industry do not benefit only this category of producers. In fact, these subsidies also help the consumer because otherwise he would be required to pay these amounts granted by the government to support higher prices for producers, which would mean a still much bigger increase in prices.

Mr. Speaker, this is no gift by the government to the producers of industrial milk. It is one way to distribute in the fairest possible manner, the purchasing power across the country in order to create an exchange in production between consumers and producers.

In Canada, the proportional value of subsidies equals only 6 per cent of the gross value of finished products, whereas U.S. subsidies for milk products are much higher. Canada is not a leader in this field. Sometimes I hate to see that the moment the government loosens the purse for industrial milk producers we are left with the impression that they are granted important gifts.

The government is convinced of the proper use of these piecemeal amounts which are doled out to industrial milk producers. Fortunately, they are made good use of and we know how to administer them. That is why the situation can be improved and why I suggest to the government and the hon. Minister of Agriculture to do more because this is a good investment which will bring benefits and which will be profitable to the entire population.

However, I am somewhat puzzled by the minister's statement because although there is the matter of an increase of 20 cents or more per cwt. for the year 1972-73, the estimates for dairy products indicate a decrease of $21 million. In that case, will it cost less because production will be down from last year or will the consumer be asked to make up most of the increase announced by the minister?

In any case, I think it is the government's duty to make the dairy industry prosperous because if it is we can expect that agriculture as a whole will be healthier.

I notice that in its brief the Canadian Federation of Milk Producers made this recommendation, and I quote:

> A careful analysis led us to conclude that there was need to adjust the support levels. Our delegates recommended a 50-cent-per-hundredweight increase in the support prices for manufacturing milk because such an increase is imperative if we are to make sure that there is enough milk in stock to meet the demand on domestic markets. Or else, from another standpoint, those increases are necessary to strike a reasonable balance of income relative to the other sectors of society and in order that the new system of supply management be fair and viable.

In my opinion, that recommendation is most sensible. I for one find it reasonable, but an increase of 50 per cent would certainly not have been exaggerated.

In closing, I would like to point out that the minister has already stated in the House that his department is prepared to allocate many millions of dollars to assist small family farms so that they may survive. I find that amazing; having drilled holes in the boat of small enterprises and of small farmers who are about to sink because water is seeping from everywhere, they tell them: Here is a bit of plastic, try to patch up the holes so that you may come safely into port.

In my opinion, the best plastic that they could be given would be a guarantee for more reasonable prices, more in line with the increase in production cost; they would thus be able to get a better income, to have a more waterproof boat to allow them to reach their goal.

[*English*]

Mr. Speaker: Order, please. Before proceeding I am led to comment on the length of the statements and comments which have been made during the last hour. I would hope that hon. members might like to consult Standing Order 15(3). I wonder whether the spirit of that Standing Order is not somewhat offended if we have ministerial statements and comments on such statements of the length of those we have heard this afternoon. I may be wrong in this respect. I appreciate the importance of such statements and the importance of and interest in the comments made by hon. members who speak on behalf of their respective political groups. I think an effort might be made when we meet again next month to limit the length of the contributions under the terms of Standing Order 15(3). The hon. member for Moose Jaw.

Mr. Skoberg: On a point of order, Mr. Speaker, may I point out that on page iv of today's notice paper there is a notice of motion in my name for concurrence in the first report of the Standing Committee on Transport and Communications which calls for public hearings to discuss the study of rail passenger service in southwestern Ontario, commencing on April 17. Unfortunately, Mr. Speaker, the chairman of the Standing Committee on Transport and Communications is in hospital. In view of the urgency of this matter I should like to ask for unanimous consent to move my motion today.

Mr. Speaker: Order, please. Under the Standing Orders the only thing on the order paper is notice of a motion. The hon. member would be authorized, under the Standing Orders, to make that motion tomorrow. If he wants to do that he may find that some of us will not be here. He cannot proceed with the motion unless with the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The hon. member will have to wait a while before the motion can be proceeded with.

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FISHERIES

INCIDENT WITH RUSSIAN SHIPS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the unanimous consent of the House to make a motion under Standing Order 43. I do so for the following reason. A short time ago there was a very serious incident on the Grand Banks in which Russian trawlers, in the process of a gang fishing operation, very nearly collided with the Canadian trawler *Zonne Mier.* The Canadian fisheries patrol vessel *Cape Freels* was dispatched to the area and endeavoured to make contact with the Russian command ship. The Russians refused to talk with the Canadian government. The refusal of the Russians to discuss rules of the road and conservation of certain species which are threatened with extinction by gang fishing methods, and the failure of the federal government to obtain an agreement with the Soviet Union—

Some hon. Members: Order, please.

Mr. McGrath: —constitutes a danger to—

Some hon. Members: Order, please.

Mr. Speaker: Order, please. The hon. member has experience in connection with motions under Standing Order 43. He knows what the Standing Order says. I have brought to the attention of all hon. members that this is a Standing Order which should be relied upon only in exceptional circumstances. It is available to hon. members provided they limit their remarks as much as possible to indicating the urgency of the matter without argument, and the submission of a motion for consideration.

Mr. McGrath: I have concluded my brief and very important preamble, Mr. Speaker. I therefore move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan):

That this matter be referred to the Standing Committee on External Affairs and National Defence.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Hon. members have heard the motion proposed by the hon. member for St. John's East under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1500)

Mr. Speaker: There does not appear to be unanimous consent and the motion cannot be proceeded with at this time.

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PENITENTIARIES

INNOVATIVE LEAVE PROGRAMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Robert McCleave (Halifax East-Hants): Mr. Speaker, under Standing Order 43 I should like to move, if given unanimous consent, in light of the arrest in St. Catharines following the shooting of two men of a convicted murderer who was an inmate of the federal penitentiary at Collins Bay and who did not return after his Christmas leave, the following motion:

That the House instruct that innovative programs of the Solicitor General regarding leave be confined to inmates whose offences do not include elements of violence.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Halifax East-Hants. This motion, proposed under the terms of Standing Order 43, requires unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

An hon. Member: The hon. member for Hamilton-Wentworth said no.

Mr. Speaker: There is not unanimity and the motion cannot be put.

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SUPPLY AND SERVICES

BASE FOR NORTHERN RESUPPLY SHIPS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to propose a motion under Standing Order 43. I request the unanimous consent of the House to propose a motion on a matter of the most urgent and pressing necessity. It concerns the present consideration by the government of tenders to originate northern resupply ships in Montreal and divert such shipping business from the port of Churchill and supply business from the western area. I would therefore move, seconded by the hon. member for Churchill (Mr. Simpson):

That this House urges the government to reconsider its policy to promote Montreal as the exclusive eastern supply port and depot for northern Canada, without regard to the economic prejudice suffered by other areas of Canada, as evidenced by its immediate

intention to divert 4,000 tons of shipping and supplies from Churchill, Manitoba, and by the recent statement of the Minister of Indian Affairs and Northern Development in Montreal.

An hon. Member: No.

Mr. Speaker: Order, please.

Mr. Alexander: What do you mean by saying no?

Mr. Speaker: I must inquire whether there is unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: I have heard at least one negative response, which means that the motion cannot be put.

Mr. Alexander: Who is that hon. member?

An hon. Member: The hon. member for Lanark-Renfrew-Carleton, I think.

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SMALL LOANS ACT

AMENDMENT RESPECTING SHORT-TERM DISCOUNTING OF PAYMENTS TO INDIVIDUALS BY GOVERNMENTS

On the order: Introduction of Bills.

Mr. Rowland—Bill intituled: "An Act to amend the Small Loans Act."

Mr. Speaker: The hon. member for Selkirk has supplied the Table and the Chair with a copy of his bill. I have had an opportunity of looking at it in advance. I hope the hon. member will not be offended if I confess that I find the purpose of the bill somewhat difficult to understand. On that basis I would also find it difficult to rule that it is not in order. Perhaps the meaning of the bill will become more apparent when the hon. member has explained what its purpose is as he is permitted to do under Standing Order 68.

Mr. Doug Rowland (Selkirk) moved for leave to introduce Bill C-187, to amend the Small Loans Act.

Mr. Knowles (Winnipeg North Centre): Explain.

Mr. Rowland: Mr. Speaker, the purpose of this bill is to include under the provisions of the Small Loans Act the practice of the short-term discounting of payments by governments to individuals, such as unemployment insurance benefits, pension payments and income tax rebates, by defining the discount fee charged by persons lending money on this basis as being interest and therefore restricting interest rates charged by discounters to 2 per cent per month. In this way the financial attractiveness of this practice would be removed.

Some hon. Members: Hear, hear!

Mr. Speaker: Perhaps it might be simpler if the question were put at this time. Is it the wish of the House that the hon. member shall have leave to introduce the said bill?

[Mr. Murta.]

Some hon. Members: Agreed.

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

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CANADA PENSION PLAN

AMENDMENT TO INCLUDE HOUSEWIVES WHO PAY OR HAVE PAID FOR THEM EMPLOYEE AND EMPLOYER CONTRIBUTIONS

On the order: Introduction of Bills.

Mr. Rowland—Bill intituled: "An Act to amend the Canada Pension Plan".

Mr. Speaker: The hon. member for Selkirk has also provided the Chair with a copy of another bill he seeks to introduce about which I have some procedural reservations. I am tempted to wonder whether this bill does not in some way infringe on the financial initiative of the Crown. I have looked at the bill and I can tell the hon. member that I discern more than faintly the scent of money in this bill. Perhaps the hon. member might be given an opportunity to indicate what the purpose of the bill is.

Mr. Doug Rowland (Selkirk) moved for leave to introduce Bill C-188, to amend the Canada Pension Plan.

He said: Mr. Speaker, the explanation in this case will be somewhat simpler than it was in the case of the bill previously introduced. The purpose of this bill is simply to include within the terms of the Canada Pension Plan housewives who pay, or have paid for them, the employee and employer contributions prescribed by the act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

*UNEMPLOYMENT INSURANCE COMMISSION—ADVERTISING COSTS

Question No. 3—**Mr. MacKay:**

What has been the total amount spent by the Unemployment Insurance Commission on advertising of all varieties (electronic and printed media) up to the last day of January 1972, to promote or otherwise explain the new UIC program?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): The reply is, about $700,000.

LOCAL INITIATIVES PROGRAM

Question No. 60—**Mr. Orlikow:**

What moneys have been allocated to date in each federal constituency, in each province, under the federal government's Local Initiatives Program?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): This information cannot be provided because the records of the distribution of funds are not recorded by federal constituencies. To provide an accurate answer would entail costly expenditures and the hiring of additional staff to undertake the large amount of work which would be required to gather this information. The Department is preparing a consolidated approved list of all projects in Canada which will be available shortly.

ANNUAL DISTRIBUTION BY INCOME GROUPS FOR 1961, 1966 AND 1971

Question No. 61—**Mr. Orlikow:**

In Canada, for the years 1961, 1966 and 1971, what was the distribution by income groups of families and individual taxpayers, and particularly the groupings of income above $1,000,000; $500,000; $250,000; $100,000; and below $6,000; $5,000; $4,000; $3,000; $2,000 and $1,000 annually?

Hon. Herb Gray (Minister of National Revenue): No distribution by income groups of families is available in so far as this Department is concerned. The following distribution of individual taxpayers is based on the annual analysis of tax returns. 1971 data are not available; the latest available are for 1969 and these are given in lieu of 1971. Incomes above $200,000 are not further classified. The figures for individual taxpayers are as follows:

Income Class Based on Total Income	Number of Taxpayers		
	1961	1966	1969
Under $1,000	23,566	56,918	44,802
$ 1,000 to 2,000	619,275	685,525	722,295
2,000 to 3,000	876,115	940,942	895,280
3,000 to 4,000	976,212	1,044,646	983,011
4,000 to 5,000	836,780	967,104	905,489
5,000 to 6,000	491,384	839,448	833,446
6,000 to 7,000	258,145	610,658	764,537
7,000 to 8,000	136,336	377,465	617,473
8,000 to 9,000	78,282	228,241	453,994
9,000 to 10,000	50,977	139,522	315,987
10,000 to 25,000	141,363	347,761	757,336
25,000 to 100,000	18,730	37,424	68,570
100,000 to 200,000	507	803	1,553
200,000 and over	95	122	190
Total	4,507,767	6,276,579	7,363,963

LOANS FROM FEDERAL TREASURY TO UNEMPLOYMENT INSURANCE FUND

Question No. 73—**Mr. McCleave:**

Were any loans made from the federal treasury to the Unemployment Insurance Fund since January, 1971 and, if so, in what amount or amounts, on what date or dates and how much is still outstanding?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): No loans were made from the federal treasury to the Unemployment Insurance Fund since January 1971.

Questions

UNEMPLOYMENT INSURANCE FUND

Question No. 74—**Mr. McCleave:**

What amounts were there in the Unemployment Insurance Fund as of the end of each month during 1971, how much was paid into the Fund each month and how much was withdrawn therefrom each month?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration):

1971	Paid Into Fund	Withdrawn From Fund	Balance In Fund
January 31	54,522,611.09	85,712,900.75	441,985,470.73
February 28	48,957,422.95	100,928,124.33	390,014,769.35
March 31	47,920,939.75	114,298,710.61	323,636,998.49
April 30	48,399,870.22	100,008,016.92	272,028,851.79
May 31	50,006,007.30	77,540,851.01	244,494,008.08
June 30	51,834,550.96	49,199,842.42	247,128,716.62
July	55,490,172.44	43,870,914.10	258,747,974.96
August 31	61,261,413.66	46,094,219.65	273,915,168.97
September 30	56,742,282.08	48,869,955.75	281,787,495.30
October 31	60,834,731.24	52,241,721.99	290,380,504.55
November 30	59,943,126.60	69,449,959.46	280,873,671.69
December 31	57,009,818.57	102,378,505.14	235,504,985.12

PUBLIC WORKS—RENOVATIONS TO PRIME MINISTER'S OFFICE

Question No. 126—**Mr. Coates:**

1. Were renovations carried out recently in the office of the Prime Minister and, if so (a) were they carried out under contract (b) by whom (c) at what cost?

2. If renovations were carried out in the Prime Minister's office (a) what was the extent of the renovations (b) what was included in the way of furnishings, carpeting and redecorating (c) were these renovations and redecorating a part of the contract or were they done by the Department of Public Works and if done by the Department of Public Works, at what cost to that Department?

3. Were a new chesterfield and chairs provided in the refurnishing of the Prime Minister's office or was there upholstering of existing furniture and in either instance what material was used for the chesterfield and chairs?

4. Were new carpets and drapes included in the renovation of the Prime Minister's office and, if so (a) what were the materials of the carpet and drapes (b) what was the cost of each?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes, renovations were recently carried out in the office of the Prime Minister. (a) Contracts were arranged and the lowest bidder was accepted for each phase of renovations. (b) Coady Construction Limited; D. Lyall Hanes Ltd.; A. G. Reed Ltd.; Henderson Furniture Repairs; Modern Decoration; Bond Brass Ltd.; (c) Cost of renovations $16,487.

2. Renovations consisted of: (a) Refurbishing of existing woodwork, Renovations of lighting system, Installation of built-in cabinet work, Installation of window shutters, Repairs and painting of ceiling, Refinishing of desk and telephone table. (b) Furnishings provided consisted of chesterfields, chairs, end tables, coffee table and carpeting. (c) All works and procurement of furnishings were arranged under contract by the Department of Public Works at a total cost of $24,058.00 (includes costing detailed in 1 (c))

Questions

3. New chesterfields and chairs were provided and material used was Suede. Existing furniture was not reupholstered.

4. New carpeting was provided. There were no new drapes. (a) Material for carpeting consists of wool pile, 76oz. Wilton and is of Canadian manufacture. (b) Cost of carpeting, underpad and installation was $1,263.

CRIMINAL CODE—DANGEROUS SEXUAL OFFENDERS

Question No. 191—**Mr. Orlikow:**

1. What is the total number of inmates in Canadian penitentiaries who have been convicted and sentenced under the Dangerous Sexual Offenders sections of the Criminal Code?

2. (a) How many of those sentenced were paroled (b) how many have violated their parole (c) how many have been re-convicted while on parole and was the offence the same?

3. What is the average length of incarceration for such offenders before parole is considered?

4. What programs are made available to these inmates while they are incarcerated?

5. Has the medical profession been consulted as to the type of treatment being given?

6. (a) How many inmates have received medical or psychiatric treatment (b) how many failed to improve after such treatment (c) have any been denied such treatment?

7. Has the government made any provisions to implement such recommended treatment services?

8. Have the inmates a choice in case they wish to seek out such treatment and, if so, what provisions have been made?

Hon. Jean-Pierre Goyer (Solicitor General): 1. Sixty-three (as of January 1, 1972).

2. (a) 28; (b) 12; (c) 2 (1 similar).

3. Pursuant to Section 694 of the Criminal Code, the National Parole Board reviews the inmate's case once in every year to determine whether or not he should be granted parole.

4. A diagnosis of each individuals's case is made which includes an evaluation of his potential for treatment and training. An individualized program to meet the inmates' social needs is determined by the Inmate Training Board following completion of reports by members of the professional staff. The findings and recommendation of the Board are discussed with the inmate, who is invited to express his views on the matter. This program may provide for individual and group therapy in addition to the regular training activities which include educational, vocational, religious, recreational, social and trades training.

5. Yes. An Advisory Board of Consultant Psychiatrists, composed of five members who are representatives of the areas of Canada in which there are penitentiary populations, and three members at large, has been appointed to determine the need for psychiatric services in each region to provide adequate treatment, to recommend a program to meet the needs of each category of mental illnesses as well as the location and type of physical facilities required.

6. (a) All inmates in this category have received the available treatment; (b) nine of those who received such treatment violated their paroles; (c) no.

[Mr. Dubé.]

7. In so far as the Department of the Solicitor General is concerned; yes.

8. The first thing penitentiary psychiatrists must decide is the nature of the treatment best suited to meet the requirements of the inmate. If better facilities are available in neighboring outside psychiatric clinics in mental hospitals, the inmate is transferred to the facility until his condition is such that he may be returned to the penitentiary. In addition, should the penitentiary psychiatrist feel the need for assistance in making important psychiatric decisions, he is free to consult with or call in any psychiatric consultant he wishes.

SECOND NATIONAL PARK, SASKATCHEWAN

Question No. 238—**Mr. Southam:**

1. What is the present status of the second national park that was promised to Saskatchewan in the spring of 1965?

2. Has the Province of Saskatchewan offered a selection of possible national park sites to the federal government and, if so (a) what were the locations (b) what is the reason for the delay in the development of this project?

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Negotiations are still being held between the federal and provincial government for the establishment of a second National Park in Saskatchewan.

2. A joint federal-provincial study was made to assess the National Park potential of various areas (a) Cypress Hills; Val Marie; Last Mountain Lake; Saskatchewan Landing; Big Muddy Lake; Moose Mountain. (b) Negotiations are still being held.

AIR POLLUTANT EMISSIONS CONTRACT WITH H. G. ACRES LIMITED

Question No. 287—**Mr. Robinson:**

What is the anticipated cost of the nationwide inventory of air pollutant emissions and cost estimates for their control, as contracted by H. G. Acres Limited of Niagara Falls?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): $39,400.

LOANS TO AGRICULTURE EXHIBITION ASSOCIATIONS

Question No. 302—**Mr. Robinson:**

1. How many loans were made in 1971 for agricultural exhibition associations and what was the amount of each?

2. In 1972 (a) how many loans are anticipated for agricultural exhibition associations (b) what is the total amount of them (c) how much will be allocated for labour, buildings, equipment, etc.?

Hon. H. A. Olson (Minister of Agriculture): 1. None.

2. (a) Fifteen; (b) $10,000,000; (c) Estimated Labour, $4,000,000; Materials, $6,000,000.

DAVIE SHIPBUILDING COMPANY, LAUZON, QUEBEC—CANADA MANPOWER TRAINING BENEFITS

Question No. 306—**Mr. Lambert (Bellechasse):**

Has the Davie Shipbuilding Company of Lauzon, Quebec requested benefits from the Department of Manpower and Immigration under the on-the-job training program and, if so (a) when was the request made (b) was the project approved and, if so (i) on what date (ii) on what date was the agreement with the company signed (iii) how many workers benefit under this agreement (iv) what is the maximum amount the government will contribute to this company under this agreement?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Four proposals have been received from Davie Shipbuilding Ltd., three of which have been approved, one rejected. Details as follows: Proposal No. 21575 (a) January 5, 1972 (b) Yes (i) Jan. 18, 1972 (ii) Jan. 19, 1972 (iii) One (iv) $585. Proposal No. 211688 (a) February 15, 1972 (b) Yes (i) Feb 21, 1972 (ii) Feb. 22, 1972 (iii) 20 (iv) $27,300. Proposal No. 211993 (a) February 28, 1972 (b) Not approved. Proposal No. 213061 (a) March 9, 1972 (b) Yes (i) March 15, 1972 (ii) Not yet (pending signature) (iii) One (iv) $975.

NATIONAL DEFENCE—STRENGTH OF ARMED FORCES, FEBRUARY 29, 1972

Question No. 381—**Mr. MacRae:**

What was the strength of the Armed Forces on February 29, 1972?

Mr. J.-R. Comtois (Parliamentary Secretary to Minister of National Defence): 84,653.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder whether the parliamentary secretary would make inquiries regarding question No. 27. The Department of National Health and Welfare assured me that there would be a revised answer. I hope that it will be available without undue delay.

Mr. Jerome: I will check into that, Mr. Speaker.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions Nos. 8, 13 and 36.

COPY OF STUDY BY SUMMEROUR AND ASSOCIATES INC. REGARDING "ANALYSIS OF THE MANPOWER UTILIZATION OF THE MANITOBA GARMENT INDUSTRY"

Motion No. 8—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by Summerour and Associates Inc., Atlanta, Georgia, undertaken for the Department of Manpower and Immigration regarding the "Analysis of the Manpower Utilization of the Manitoba Garment Industry".

Mr. Knowles (Winnipeg North Centre): Stand.

Mr. Speaker: Stand.

Motion stands.

COPY OF CORRESPONDENCE BETWEEN FEDERAL GOVERNMENT AND P.E.I. CONCERNING FAR EAST YOUTH HOSTEL, CHARLOTTETOWN

Motion No. 13—**Mr. Macquarrie:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all correspondence, memoranda, etc., between the Government of Canada or any agency or department thereof and the Government of Prince Edward Island, the City of Charlottetown or any other party or individual concerning the establishment of the Far East Youth Hostel at Charlottetown in 1970.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, this motion is the same as motion for production of papers No. 200 of the last session. As stated at that time, correspondence concerning the Far East Youth Hostel at Charlottetown is considered to be of a confidential nature.

I would therefore request that the hon. member withdraw his motion.

[*English*]

Mr. Speaker: The hon. member has heard the comments of the minister. Does he wish to drop the motion?

Mr. Macquarrie: Agreed.

Mr. Speaker: The motion is dropped.

Order discharged and motion withdrawn.

COPY OF REPORTS BY GOVERNMENT RELATING TO DEUTERIUM OF CANADA LIMITED

Motion No. 36—**Mr. Hellyer:**

That an Order of the House do issue for copies of any report or reports prepared by or for the government recommending that Atomic Energy of Canada Limited assume responsibility for the reconstruction and operation of the Deuterium of Canada Limited heavy water production plant at Glace Bay, N.S.

Mr. Speaker: Stand.

Motion stands.

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

Mr. Burton: Mr. Speaker, may I ask the parliamentary secretary to look into Notices of Motions Nos. 16 and 18 in particular, which have been on the order paper since some time in February. It should be possible to obtain a response from the government at this time in terms of what it is going to do, particularly since the Easter recess is before us and it will be almost one week after the House resumes sitting before motions for papers are again taken up.

Mr. Jerome: I have made a note of the numbers the hon. members has mentioned, Mr. Speaker.

Inquiries of the Ministry

Mr. McIntosh: Mr. Speaker, I have had a question on the order paper for the last two sessions. It is a very simple question regarding the closing of trade missions, embassies and so on in foreign countries. There are not that many involved that the department could answer this question in a very few words. Would the parliamentary secretary ask the Secretary of State for External Affairs why this question has not been answered? What is the department trying to hide?

• (1510)

Mr. Jerome: Mr. Speaker, I am sure there is no effort being made to conceal anything. I will conduct an inquiry to see if the question can be answered.

ORAL QUESTION PERIOD

FINANCE

INQUIRY AS TO AMENDMENTS TO INCOME TAX ACT AND PRESENTATION OF BUDGET

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the government House leader when we may expect to have put before us the changes in the Income Tax Act that were promised by the previous Minister of Finance at the time the so-called tax reform bill was passed?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I will be happy to draw this question to the attention of the Minister of Finance. I can tell my hon. friend that it is not intended to have any such measure placed before the House within the next short period.

Mr. Stanfield: Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Can the Prime Minister indicate to the House when we may expect the presentation of a budget?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if there is going to be a budget we will inform the House of that in due course.

Mr. Stanfield: Can the Prime Minister tell the House whether a budget will be presented prior to the House recessing in the spring or meeting the same fate earlier? Will a budget be presented or will the country be left in a state of uncertainty as reflected in the very disappointing commitment of private investment indicated in the report tabled today?

Mr. Trudeau: Mr. Speaker, that, of course, would depend on the plans the government has for the continuation of this session. I think I would be safe in saying there will be a budget if the House is going to sit until the end of June.

[Mr. Jerome.]

HOUSE OF COMMONS

ARRANGEMENTS DURING VISIT BY PRESIDENT NIXON TO OTTAWA

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to direct a question to the President of the Privy Council with regard to the future business of the House. Is the President of the Privy Council in a position to make any statement regarding arrangements that may be made during the visit of President Nixon which may affect the sitting of the House?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am pleased to advise my hon. friend and members of the House that the President of the United States of America, Mr. Richard M. Nixon, has agreed to address members of the House of Commons and the Senate in this chamber at 3 p.m. on Friday, April 14, 1972, on the occasion of his forthcoming visit to Canada.

Some hon. Members: Hear, hear!

Mr. MacEachen: If I have the consent of the House now or later to revert to motions, I will make a motion that will finalize the arrangements for this historic event.

Mr. Speaker: Is it agreed that we revert to motions at this moment for the purpose suggested by the President of the Privy Council?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

HOUSE OF COMMONS

MOTION CONCERNING ADJOURNMENT ON FRIDAY, APRIL 14, AND INCLUSION OF ADDRESS OF PRESIDENT NIXON AND RELATED SPEECHES AS APPENDIX TO "HANSARD"

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I move, seconded by the Minister of National Defence (Mr. Benson):

The House shall adjourn at 1 p.m. on Friday, April 14, 1972;

And that the address of the President of the United States of America, Mr. Richard M. Nixon, to be delivered on Friday, April 14, 1972, before the members of the Senate and of the House of Commons, together with all introductory and related speeches, be included in that day's House of Commons debates as an appendix and thus form part of the records of this parliament.

Motion agreed to.

ORAL QUESTION PERIOD

PENSIONS

LOWERING OF AGE FOR ESCALATION OF PENSIONS OF RETIRED ARMED FORCES AND RCMP PERSONNEL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. It relates to the escalation of pensions of retired RCMP and Canadian Armed Forces personnel. Can the minister say what progress the government is making in arranging for this escalation to take place in the case of those not yet 60 years of age?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think the hon. member is aware that the conditions of service and retirement of the RCMP and the public service as such are sufficiently analagous to make the problem an easy one. The conditions of service of members of the armed forces under the Canadian Forces Superannuation Act are quite different in relation to retirement and we have not yet succeeded in working out an appropriate formula.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister.

Now that a program, effective June 1, 1972, has been established to enable everyone to go bankrupt with decency, when will the government implement a program that will enable everyone to live decently and when does it intend to adopt a measure cancelling the national debt and enabling us to start anew?

Mr. Speaker: It seems to me that the hon. member is asking a government representative to make a statement of a general nature which should normally be made on motions.

* * *

[*English*]

AIRPORTS

PICKERING TOWNSHIP SITE—POSSIBLE ABANDONMENT IF MAJORITY OF AFFECTED PROPERTY OWNERS OBJECT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. During the course of his recent trip near Toronto be stated that if 51 per cent of the people in Pickering Township were opposed to the establishment of an airport there, their views would be accepted. The other day he stated in the House that a referendum was outside the regular course of democratic practice. Because of the aroused interest in that statement on his part, which was unequivocal, if bona fide owners of property in the area comprised within the general plan for the airport sign a petition to the effect that they do not wish to have their properties expropriated for an airport, will their wishes be upheld?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question is really based on a false premise, an assertion of something that I was supposed to have said but which was incorrectly conveyed by or to the right hon. member. I never made the assertion—

Mr. Diefenbaker: Why did you not correct the press?

Mr. Trudeau: Mr. Speaker, if there is a supplementary question I will entertain it.

Mr. Diefenbaker: This is not the first time the Prime Minister has run for cover after allowing his tongue to run loose.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I simply ask, will he or will he not accept a petition by 51 per cent—

An hon. Member: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, that hon. member may join the ranks of the Prime Minister's expendables if he does not watch out.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: There are more than 20 now. Twenty was the number that were going to be dumped.

Mr. Speaker: Order, please. Would the right hon. gentleman ask the question.

Mr. Diefenbaker: I simply ask the Prime Minister, if 51 per cent of the registered owners of the land in that area sign a petition, with proper proof that they are the owners, is he now prepared to carry out his promise that the area will not be taken over as an airport?

Mr. Speaker: Order, please. The Chair will allow the Prime Minister to reply to the question although I have to caution that it appears to be in the nature of a hypothetical question. I appreciate that we have taken a bit of time to consider the matter, and perhaps the Prime Minister should be allowed to reply.

Mr. Trudeau: Mr. Speaker, in my answer to the first question I stated that I had never made such an assertion relating to the property owners or inhabitants of Pickering Township. The right hon. member has repeated that assertion in his question. I do not know if it is customary or by accident that he is doing this, but I assure him by this type of question he is making assertions which are not founded on fact and is spreading things which are contrary to what I said. I do not know if it is done deliberately or by accident.

Mr. Speaker: Order, please. We are now getting into debate.

• (1520)

Mr. Diefenbaker: On a question of privilege, Mr. Speaker, I was simply quoting from several papers—the Canadian Press—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —the *Globe and Mail*, the Toronto *Star* and the records of the CBC. The Prime Minister knows he is in a jam over that statement and is running away from it.

* * *

DRUGS

SELECTION OF DOCTORS TO ADMINISTER METHADONE TREATMENT

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare arising from the statement he made earlier in connection with drug abuse. Can the minister tell the House what steps he intends to take to choose the doctors who will be authorized to administer methadone treatment?

Hon. John C. Munro (Minister of National Health and Welfare): I do not see it as being a highly formal process. We are already aware that some doctors are desirous of rendering this service. We shall find out how much time they are prepared to give to it and make some preliminary assessment as to their competence; of course, I shall have medical advice on that aspect. Then we shall designate them to run a particular service. We hope they will do so in a clinical setting or an outpatient department of a hospital or something of that kind with proper back-up facilities. Then we shall give them financial support.

Mr. Howard (Skeena): I wonder whether, in the course of assessing the qualifications of the doctors who will be chosen, the department has made any study as to the number of drug addicts that members of the medical profession have created by the careless prescription of drugs in the past?

Mr. Munro: I think the hon. member may be referring particularly to the overly liberal habit of prescription in the area of amphetamines. If he is, may I remind him I have already said that this has probably resulted in at least a high degree of psychological dependency by people on amphetamines. I have already indicated the corrective action which the government is prepared to take, with the support of the medical profession, I may add.

Mr. Howard (Skeena): A supplementary question—

Mr. Speaker: Order. May I take the liberty at the beginning of the question period of inviting the co-operation of all members in relation to supplementaries? There are hon. members seeking the floor today who vainly attempted to ask questions yesterday. I am anxious to give them an opportunity to be heard but we shall be able to make progress only if there is a degree of co-operation from hon. members in relation to supplementary questions.

Mr. Howard (Skeena): My supplementary question was not confined specifically to those doctors who have been overly liberal in prescribing amphetamines but referred generally to the medical profession creating drug addicts by being careless in the prescription of amphetamines, barbiturates, sleeping pills, tranquilizers, methadone and so on. I am asking the minister how he will be selective about that.

Mr. Speaker: Order. Perhaps the minister might reply briefly, but we are obviously engaged in a rather lengthy debate between the Minister of National Health and Welfare and the hon. member for Skeena.

Mr. Munro: Without agreeing that doctors would be criticized in all the areas the hon. member has mentioned, may I say that some of his observations are valid. The Canadian Medical Association is aware of this danger and is co-operating fully in trying to get the message to the medical profession across Canada that doctors should be far more restrictive in those areas where prescription practices are subject to valid criticism.

* * *

FISHERIES

POSITION OF NEGOTIATIONS WITH DENMARK ON CONTROL OF SALMON FISHING ON HIGH SEAS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Canada has signed fishing treaties with Britain, France, Portugal, and Denmark. In light of the fact that the treaty with Denmark involves only the Gulf of St. Lawrence and Canadian waters within the 12-mile limit, will the minister tell us what progress the government is making in negotiations with Denmark to control high seas fishing for salmon so that this species can be conserved?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The agreements I tabled in the House yesterday related, of course, to the phasing out of fishing operations within the fishing zones of Canada. That was their purpose. The negotiations with respect to fishing on the high seas are being carried on for a different purpose; these are not Canadian waters we are talking about. We are trying to get Denmark to co-operate in conserving a fish species which is particularly valuable to Canada. These negotiations are continuing. Regrettably, we have not been able to make as much progress with the Danes as we would like. Nor has anyone else.

NECESSITY FOR RATIFICATION OF TREATY WITH FRANCE

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, may I take this opportunity to correct an answer I gave to the hon. member for Gander-Twillingate yesterday on the subject of fishing treaties? The hon. member asked me whether ratification would be necessary in respect of any of these proposed treaties. I answered that in one case, in the case of the treaty with France, I thought ratification would be necessary. I am now advised that the agreement is silent with respect to the time at which it comes into effect. Therefore, under international law it does not require ratification; it came into effect when it was signed.

DISCUSSIONS WITH U.S.S.R. ON ACTIVITIES OF RUSSIAN SHIPS OFF EAST COAST

Mr. James A. McGrath (St. John's East): May I ask the Secretary of State for External Affairs whether discussions are under way with the Russians regarding their fishing activities on the east coast, particularly their gang fishing activities which are a threat to certain species and a danger to Canadian fishermen? If not, are such discussions contemplated, and when may we expect an announcement by the minister?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer to the question is yes, Mr. Speaker. Discussions are under way. My colleague, the Minister of Fisheries, is gathering material. The Russians have asked us to submit it and we are in the process of doing so.

CONSULTATION WITH PROVINCES AFFECTED ON AGREEMENTS WITH OTHER COUNTRIES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question for the Minister of Fisheries. Bearing in mind the implications which these agreements carry for the provinces, may I ask whether the minister is taking steps to consult with the provinces in the future concerning the effects of these agreements?

Hon. Jack Davis (Minister of Fisheries): These agreements were all discussed with the Ministers of Fisheries of the provinces and with Premier Moores of Newfoundland before they were signed.

* * *

AGRICULTURE

INQUIRY AS TO APPOINTMENTS TO FARM PRODUCTS MARKETING COUNCIL OR AGENCIES

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Agriculture. Has the minister made any appointments at either council or agency level under the farm products marketing legislation and, if not, can the minister offer an explanation to the House bearing in mind the alleged urgency last session when special sittings were held?

Mr. Speaker: Order. The latter part of the question is argumentative. The minister might reply to the first part of the question.

Hon. H. A. Olson (Minister of Agriculture): The answer is yes, Mr. Speaker. Six were announced yesterday morning.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for Témiscamingue.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to direct a question to the hon. minister—

[*English*]

Mr. Nesbitt: Mr. Speaker, I should like—

Mr. Speaker: Order, please. The hon. member for Témiscamingue has been recognized and has already started his question.

Mr. Nesbitt: I am sorry; I was not able to hear Your Honour.

Mr. Speaker: Perhaps we might allow the hon. member for Témiscamingue to complete the question he has already started. I will return to the hon. member in a moment.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct a question to the hon. Minister of Regional Economic Expansion.

The minister recently stated in Quebec that we are witnessing a curious phenomenon whereby the number of unemployed increases in conjunction with the number of jobs made available by the government.

I would like therefore to ask the minister if the economists in his department are now in a position to explain this phenomenon?

Mr. Speaker: Order. It does not seem immediately possible to reply to the question of the hon. member.

* * *

[*English*]

AGRICULTURE

INQUIRY AS TO APPOINTMENTS TO FARM PRODUCTS MARKETING COUNCIL OR AGENCIES

Mr. W. B. Nesbitt (Oxford): I wonder whether the Minister of Agriculture would be kind enough to tell members of this House the nature of the appointments under the farm products marketing legislation and the names of those appointed. Would he also tell us when he made the announcement, since it was not made in the House?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, it is not customary to make announcements of this kind in the House but I did take the precaution, I think, to see that the communiqué was sent to every member of the House, along with biographies of each appointee.

Some hon. Members: Hear, hear!

* * *

• (1530)

INDIAN AFFAIRS

SASKATCHEWAN—REPRESENTATIONS AGAINST TRANSFER OF EDUCATIONAL SYSTEM TO PROVINCE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I ask the Minister of Indian Affairs and Northern Development whether he has had representations from a group of

Indian chiefs from northern Saskatchewan who are dissatisfied with the turning over of the educational system to the province of Sasaktchewan, and is he prepared to consider the possibility of reverting to the federal system of education?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, this problem has been in existence for some time. Several months ago I had occasion to meet with the Saskatchewan Minister of Education as well as representatives of the Indian Association of that province. We discussed this problem, and we are now trying to find a solution which would be satisfactory to the three parties concerned. Only two weeks ago I received the representatives of a special committee of the Saskatchewan Indian Association, and I think we made some progress in this field.

[*English*]

Mr. Korchinski: Mr. Speaker, may I ask the minister whether he is seriously considering the possibility of reverting to the federal scheme?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we are seriously considering any possibility for action.

* * *

[*English*]

INQUIRY OF THE MINISTRY

Mr. Walter Deakon (High Park): Mr. Speaker, I should like to direct a question to the President of the Treasury Board, if I may.

Some hon. Members: Hear, hear!

Mr. Deakon: In view of the recent announcement that the Ontario Conservative government will be auditing the books of the provincial auditor, would the minister consider sending the Auditor General of Canada, Mr. Henderson, to audit the Ontario government's books?

Mr. Speaker: Order, please.

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INDIAN AFFAIRS

POSSIBLE WITHDRAWAL OF PROVISION OF FUNDS TO ASSOCIATIONS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Is it the intention of the minister and the government to discontinue the policy of providing funds to Indian associations, such as the Union of Nova Scotia Indians, for educational and other programs while continuing, as usual, to provide such assistance to band councils?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have in no way revised the policy followed in the past few years. We grant funds to provincial Indian associations only with the support of Indian bands in the province.

[*English*]

Mr. Muir: A short supplementary, Mr. Speaker. May I ask the minister whether a directive has been issued to officials at Indian affairs branches in the provinces concerning this very important question, and does such directive advise that this has been a cabinet decision?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am not aware of any directive in that regard but I will check and report to the hon. member.

* * *

[*English*]

POLLUTION

WRECKING OF FREIGHTER "VANLENE" NEAR PACIFIC RIM PARK—STEPS TO SUPPLY ADEQUATE EQUIPMENT FOR CLEAN-UPS AND STRENGTHEN NAVIGATIONAL RULES

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of the Environment and Fisheries arising out of the untimely arrival of the Panamanian freighter *Vanlene* on the shores of our new Pacific rim national park. I should like to ask the minister, not only in his capacity as Minister of the Environment in charge of environmental quality but also in view of his responsibility for fisheries, what steps his department is taking to deal with the obvious inadequacies in the supply of equipment to those responsible for clean-up as well as the obvious inadequacies of navigational rules, which meant that we avoided a major ecological disaster by good luck rather than by good management in this instance?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, as the hon. member knows, the question of navigation is one for the Minister of Transport. However, my department is responsible as a co-ordinating agency in crises of this kind. We are developing plans to deal with similar situations on both our coasts. I gather that we have been fortunate in respect of the *Vanlene* and that coastal pollution has not been serious in that case.

Mr. Barnett: May I direct a supplementary to whoever is speaking for the Minister of Transport today. When are the regulations under the new Part XIX of the Canada Shipping Act and the recently enacted Pilotage Act going to become operative and effective so as to prevent this sort of blundering of old freighters into our coastal waters?

Mr. Speaker: Apparently the matter is being taken under advisement. For the moment—

Mr. Barnett: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member is rising on a point of order.

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will take this question as notice in the name of the Minister of Transport.

* * *

THE CANADIAN ECONOMY

MEASURES TO STIMULATE INVESTMENT BY PRIVATE SECTOR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask a question of the Acting Minister of Industry, Trade and Commerce concerning the figures that he tabled in the House today respecting capital commitments by industry, which must be considered disappointing since they are at about the same level as last year's. Is it the intention of the department to take measures to stimulate investment commitments in the private sector, or does the department regard the figures as the best possible in view of the statement of the Minister of Labour that the economy is operating at its full potential? I ask the minister the question very earnestly in view of these disappointing figures and in view of the fact that the Prime Minister has refused to give any indication whether or not we are going to have a budget.

Mr. Speaker: Order, please.

Hon. Alastair Gillespie (Acting Minister of Industry, Trade and Commerce): Mr. Speaker, in the terminology of economics, capital expenditures are considered to be a lagger in the development of the economic cycle. I think the Leader of the Opposition will recognize that the conditions precedent to capital investment growth are already well established in our economy. I am referring, of course, to the growth in consumer demand of 8½ per cent over last year and the growth of profits by over 16 per cent over the same period—

Mr. Speaker: Order, please. It seems to me that we are now becoming involved in a debate, and I am wondering whether this would be very useful in view of the fact that we are running short of time.

Mr. Stanfield: Mr. Speaker, I should like to press the minister since we will be away for a couple of weeks. In view of the minister's statement perhaps he would explain very briefly to the House, since he has said that we are in the early stages of an expansion, why the rate of expansion in 1972 over 1971 is so much less than 1971 was over 1970?

Mr. Speaker: Order, please. I suggest to the Leader of the Opposition and to the minister, who apparently wants to reply to the question, that this is the kind of information which normally ought to be given in a general statement on motions.

UNEMPLOYMENT INSURANCE

SUGGESTED ESTABLISHMENT OF COMMISSION OFFICE IN CHARLOTTETOWN

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Minister of Labour whether he has received a unanimous resolution passed by the Prince Edward Island legislature urging the return of the Unemployment Insurance Commission office from Moncton to Charlottetown, and can the minister indicate whether he is prepared to give such an undertaking to the legislature and people of the province of Prince Edward Island?

Hon. Martin P. O'Connell (Minister of Labour): I regret to say that I cannot give that assurance today, Mr. Speaker.

* * *

SPORTS

1976 OLYMPIC GAMES—POSSIBLE FINANCIAL CONTRIBUTION TO MONTREAL

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Prime Minister. In view of the statement by a member of the Canadian Olympic Committee that the 1976 Olympic games scheduled for Montreal will be a disaster unless the federal government contributes upward of $500 million, and in view of the Prime Minister's report to the House that the federal government did not intend to contribute to the summer Olympics, does the Prime Minister not agree that an expenditure of this magnitude would be more beneficially spent on the Canadian economy as a whole instead of on one specific area?

Mr. Speaker: Order. Obviously that is not a question but an argument. The hon. member for Qu'Appelle-Moose Mountain.

Mr. Simpson: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Churchill is rising on a point of order.

Mr. Simpson: Perhaps I can put a direct question to the Prime Minister since this is a very important matter and the House will not be sitting for some time.

Mr. Speaker: That is hardly a point of order but I will recognize the hon. member for the purpose of his rephrasing the question.

Mr. Simpson: Mr. Speaker, I should like to ask the Prime Minister whether he would again outline to the House the plans of the government regarding any contribution to the 1976 Olympic games.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have put this matter on the record on several occasions. It was indicated in an exchange of correspondence between the mayor of Montreal and myself as Prime Minister that there would be no special contribution by the federal government to the Olympic games. This has been agreed to by both sides. I believe Mayor Drapeau has indicated that the very substantial contribution of the

federal government at the time of Expo 67 made it unnecessary for us to make any particular contribution at this time. He is hoping that federal shared-cost or other programs which apply across the country will be used in Montreal in some way toward the games, to which we have no objection. The position is still as I stated: there is no special contribution contemplated by the federal government for the games.

• (1540)

1976 OLYMPIC GAMES IN MONTREAL—PREVENTION OF DESTRUCTION OF HOUSING

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the fact it was announced in Montreal some months ago that some 200 or 300—I forget the precise figure—housing units of average people are going to be destroyed in the process of providing facilities for the Olympics, and in view of the Prime Minister's suggestion that he would not object to some federal funds being used for the Olympics, will he consider requesting or making it mandatory that such destruction of ordinary housing will not take place, as one of the conditions of obtaining federal funds for the Olympics?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I may have lost the meaning of the question, but it is my impression that the reference to Mayor Drapeau's position is not as I understand it. I understand the concern of the hon. member about the problem. I had occasion to discuss this matter a few weeks ago with Premier Bourassa. We are now in a position of having no particular request or submission on expenditures by the mayor of Montreal. There is no commitment on his or on our side beyond what I just related. The federal government will at some point want to know more precisely from the mayor of Montreal what his plans are for proceeding if, indeed, he is counting on any federal participation through these established programs. We have no precision in that regard. I repeat that I discussed this with the premier of the province. I would hope if there is any thinking along any specific lines such as this it will be conveyed to us as soon as possible.

Mr. Broadbent: I have a further supplementary question.

Mr. Speaker: Order. I should like to allow hon. members to ask supplementary questions but it seems to me this question might well wait 15 days to be asked. My understanding of the situation is that this kind of question might well be put aside for a while. We should try to allow other questions before the end of the question period.

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AGRICULTURE

WOOL—SUGGESTED SUBSIDY TO ENCOURAGE PRODUCTION

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Agriculture who has momentarily stepped out behind the curtain. Perhaps the parliamentary secretary could take notice of it. In view of the statement made earlier this afternoon regarding assistance to the Canadian dairy industry, and in light of current reports from the textile trade and needle industry that because of the increased demand for woollen fabrics the cost of this commodity will increase by 20 per cent this year, will the minister now consider revising his policy and provide a wool subsidy to encourage the production of wool in Canada rather than having it imported to meet this increased demand?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I will take the question as notice and report to the minister.

* * *

STATUTORY INSTRUMENTS

CHANGING OF HOUSE RULES TO FACILITATE WORK OF COMMITTEE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the fact the government announced yesterday or the day before the composition of this House's portion of the Joint Committee on Statutory Instruments, will the President of the Privy Council advise when it is the intention to put a notice on the order paper in respect of the changes in the rules of this House to provide for the working of that particular committee in light of the statutory provision in the bill we were considering yesterday, and will this be done by the time the minister has his nominating convention, knowing he would like to start an election campaign by perhaps April 22?

Hon. Allan J. MacEachen (President of the Privy Council): The question is too political for me, Mr. Speaker.

* * *

WELFARE

LEGALITY OF BRITISH COLUMBIA LEGISLATION LIMITING PROVISION OF ASSISTANCE—REQUEST FOR STATEMENT

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, last Monday the Minister of National Health and Welfare, in answer to my question about the legality of British Columbia Bill 49 concerning the eligibility of social assistance applicants, promised to make a statement on the issue if at all possible before the Easter recess. I wonder whether the minister is now prepared to make a statement on this very important matter?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I think if the hon. member will check *Hansard* she will find that I did not indicate I would make a statement but rather that I would try to answer her question by statement or by an answer to another question. I endeavoured to do so the other day.

Mrs. MacInnis: Mr. Speaker, I rise on the point of order. I might be obliged to quote *Hansard* if the minister will not accept the suggestion that he made an alternative undertaking to answer the question by a statement or an

answer to another question. I do not mind asking him another question.

Mr. Speaker: Order, please. I wish the hon. member would do as she has proposed and ask another question. I think it would be easier to proceed in this way rather than by way of a point of order.

Mrs. MacInnis: I should like to ask the minister whether he will now in a few words indicate the status of Bill 49 of the British Columbia legislature vis-à-vis the Canada Assistance Plan?

Mr. Speaker: If the minister can give this information briefly he should be allowed to do so. In the very few minutes we have left before the end of the question period I do not think he should be allowed to do this at length at the expense of other hon. members who wish to ask questions.

Mr. Munro: As I understand it, Mr. Speaker, the more contentious aspects of the legislation, the parts which have led some people to believe it is contrary to the Canada Assistance Plan, have been deleted. I refer to the expression "absolute discretion". The word "absolute" was deleted from the legislation as it was being considered by the legislature. The minister's discretion is circumscribed by the regulations to be passed under the legislation. Until such time as we see these regulations it would be almost impossible to determine whether in fact there is any contravention of the plan.

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HOUSE OF COMMONS

BROADCASTING OF ADDRESS BY PRESIDENT NIXON TO MEMBERS AND SENATORS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I hope that my question is more topical in view of the pending recess. I should like to ask the President of the Privy Council, in respect of the announcement earlier today of President Nixon's visit to Canada, whether the government intends to have the President's address in this chamber broadcast over radio and television?

Hon. Allan J. MacEachen (President of the Privy Council): I would hope so, Mr. Speaker.

Mr. Nowlan: Mr. Speaker, I will address my question to the Secretary of State in light of the negotiations between NABET and the Canadian Broadcasting Corporation and the picket lines that have been set up in various parts of this country. In view of worldwide interest in President Nixon's visit to Peking a few weeks ago, will the minister discuss with the NABET people their position in respect of picket lines that could affect foreign and Canadian correspondents in covering this historic event? There might be misinterpretation if they are not able to see President Nixon on the video tube.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am quite prepared to have discussions with all the responsible parties.

[*English*]

AGRICULTURE

CROP DAMAGE BY MIGRATORY WATER FOWL—ACCEPTANCE OF RESPONSIBILITY BY FEDERAL GOVERNMENT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to ask a question of the minister responsible for the environment arising from a statement he made last week indicating that the federal government would be prepared to accept some responsibility in the area of crop damage by migratory water fowl. Has such a program been finalized and when will an announcement be made in the House in this regard?

Hon. Jack Davis (Minister of the Environment): I am sorry, Mr. Speaker, I did not catch the question.

Mr. Speaker: Perhaps the hon. member might ask the question again and we will not charge the question period with the additional time required to do so.

Mr. Mazankowski: Mr. Speaker, my question arises from a statement made by the minister in Winnipeg in which he indicated that the federal government would be prepared to accept some responsibility in the area of crop damage created by migratory water fowl. Has such a program been finalized and, if so, when will a statement be made in the House?

Mr. Davis: This subject-matter has not been dealt with in detail by the government. I have had discussions with the ministers from the prairie provinces. The program has been finalized as a result of our discussions and I am now taking it to the government hoping for its approval.

* * *

• (1550)

INQUIRY OF THE MINISTRY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Prime Minister regarding the by-election in Newfoundland and of course its effect on the general election plans. Will the Prime Minister be announcing this by-election today or tomorrow, the last possible chance?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for reminding me that tomorrow is the last possible chance. I am very grateful for the reminder by the hon. member.

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PENSIONS

OLD AGE SECURITY—THEFT OF PENSIONERS' CHEQUES IN SOUTH PARKDALE—ISSUANCE OF DUPLICATES

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether he has been informed of the theft of approximately 200 old age pension cheques in South Parkdale

and whether he would consider sending out duplicate cheques to these pensioners before Easter?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I was not aware until now of this occurrence, but it is our practice where hardship is involved, and in theft cases such as this, to make some arrangement in order to get the necessary funds to old age pensioners.

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PRICES AND INCOMES COMMISSION

CONTINUED OPERATION AFTER END OF JUNE—POSSIBLE ALTERNATIVE POLICY TO CONTROL INFLATION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Prime Minister. Can the Prime Minister indicate what his plans are for the Prices and Incomes Commission? Will it continue in operation or does the government have an alternative policy to propose?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have announced in the House that the Prices and Incomes Commission would be wound up by the end of June unless it were prolonged. My information at this time is that the members of the commission plan to have their report on the causes of inflation and other aspects of their mandate by the end of June. It is possible we might have to prolong it for a very short period of time but as of now we expect this report by or around the end of June.

As to the question concerning whether there are any contingency plans for an upsurge of inflation, the answer is yes. The government has been considering contingency plans for a long period now and they may involve the prolonging of the commission's mandate or other methods, but at this time there is no announcement to be made.

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NATIONAL ARTS CENTRE

INABILITY OF PEOPLE BEYOND 80-MILE RADIUS FROM OTTAWA TO OBTAIN TICKETS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask a question of the Secretary of State. In January this year 35 students from my area asked for reservations to attend a play in the National Arts Centre. I have now been informed that these reservations are given in the main to people within an 80-mile radius of Ottawa. I wonder whether the minister intends to change this policy which seems to prohibit people living at a distance from the national capital from obtaining tickets to these performances?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I was not aware of such a rule, Mr. Speaker. I hope the information of the hon. member is not correct. Should it be he can rest assured that I will have discussions as soon as possible with the director of the National Arts Centre.

[Mr. Haidasz.]

[*English*]

INDIAN AFFAIRS

LENNOX ISLAND CAUSEWAY—AWARDING OF CONTRACTS—SAFE TRAVEL FOR RESIDENTS WHILE PROJECT UNDER CONSTRUCTION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development in respect of the proposed construction of the Lennox Island causeway. Can the minister indicate, in view of the lateness of the date, whether contracts have been awarded and when construction might begin, as well as whether steps are being taken to ensure safe travel for the residents of Lennox Island before the causeway is completed?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the construction of the causeway between Lennox Island and Prince Edward Island comes under the jurisdiction of the Minister of Public Works and I am not in a position to tell the House if the contract has been awarded. As for the security of the people who at the time of the thaw will have to cross over between the two islands we will take as usual the security measures available to us to ensure that no lives are lost.

* * *

[*English*]

PENSIONS

PUBLIC SERVICE—REQUEST FOR INCREASES REFLECTING REAL RISE IN COST OF LIVING

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the President of the Treasury Board. It concerns the pensions of retired public servants. I should like to ask the minister whether or not the government is considering any measures designed to increase the pensions of public servants to reflect the real increase in the cost of living instead of the fixed two per cent per year increase?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, this is a problem which is kept continuously under review.

* * *

GRAIN

PROVISION OF ALTERNATIVE DELIVERY POINTS FOR FARMERS FOLLOWING SALE OF FEDERAL GRAIN TO WHEAT POOLS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. Can the minister inform the House if those farmers who were customers of the Federal Grain Company will have the option to declare an alternative delivery point immediately?

Hon. Otto E. Lang (Minister of Justice): Yes, Mr. Speaker. The Canadian Wheat Board has examined the matter

and found that it will not interfere with its basic collection of grain and have given until April 25 to farmers to name an alternative or first delivery point by application to the permit department of the Canadian Wheat Board.

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EXTERNAL AFFAIRS

EXTENSION OF TERM OF SERVICE OF CANADIAN PEACEKEEPING FORCE IN CYPRUS

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Has a decision been made concerning whether the term of service of the Canadian peacekeeping force in Cyprus will be renewed at the expiry of the present period?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have renewed the force from time to time. The question has not been before cabinet recently. I am not quite sure whether the hon. member wishes it to continue, but I shall consult with him.

* * *

POWER

JAMES BAY HYDROELECTRIC DEVELOPMENT—JOB PRIORITY FOR INDIANS, ESKIMOS AND METIS

Mr. Raymond Rock (Lachine): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Yesterday the minister stated that native northerners must be given every opportunity to become an equal and participating part of our Canadian society and our advancing economy and that those who live there must have first claim to northern jobs. Is it government policy that Indians, Eskimos and Metis are to have first claim on the jobs to be created by the James Bay hydroelectric project?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the statement I made yesterday had to do with a policy for northern Canada beyond the 60th parallel, but it would be advisable for the Quebec government to implement the same policy for the James Bay Indians.

[*English*]

Mr. Speaker: Order, please. We have just about reached the end of the question period. Indeed, we have gone a few minutes beyond the prescribed time. Because of a few points of order, the return to motions for one or two minutes and the entreaties of the Chair, I thought it would be proper to prolong the question period for a few minutes. If we can have one or two rapid questions, hon. members might be recognized for that purpose. I believe the hon. member for Athabasca has a supplementary.

JAMES BAY HYDROELECTRIC DEVELOPMENT—MORAL APPROVAL OF PROJECT BY MINISTER

Mr. Paul Yewchuk (Athabasca): I have two supplementaries, Mr. Speaker, and I shall ask the second one. Has the Minister of Indian Affairs and Northern Development approved proceeding with the James Bay project at least morally?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have no moral approval to give on this proposal. I repeat once again that I follow very carefully the talks taking place between the Indians and the Quebec government on the James Bay proposal. In due course, at the Indians' request, I shall be glad to participate in the discussions.

[*English*]

Mr. Speaker: Order, please. I believe the hon. member for Hamilton West has a supplementary.

Mr. Alexander: It is not a supplementary, Mr. Speaker.

Mr. Speaker: The hon. member might be allowed to ask his question without a supplementary.

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EXTERNAL AFFAIRS

FORTHCOMING VISIT BY PRESIDENT NIXON TO OTTAWA—SUBJECTS TO BE DISCUSSED

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact the President of the United States is almost on his way here and as yet we do not know what the points of discussion will be, can the Prime Minister indicate now what the points of discussion will be and in fact whether matters such as the auto pact and DISC in particular will be discussed? I hope an answer can be given this afternoon in view of the fact that we will be absent for a couple of weeks.

Right Hon. P. E. Trudeau (Prime Minister): I am afraid I cannot give a precise answer. I am sorry that the member will not be here. If he would check with me perhaps sometime later next week, I might have a final answer from the United States government.

An hon. Member: Where will you be?

Mr. Trudeau: I will leave my forwarding address. The two governments have discussed the agenda. It will be on bilateral and international matters, but it is not yet accepted or finalized in detail and I am afraid I cannot answer the question.

Mr. Speaker: Orders of the day. I believe the hon. member for Mackenzie is rising on a point of order.

Mr. Korchinski: I apologize, Mr. Speaker, but I wish to raise a question. Because of the fact that there is to be an Easter recess and because of the importance of the local initiatives program and the fact that it has a deadline, I

wonder whether I might be permitted one question of the minister.

• (1600)

Mr. Speaker: The hon. member will appreciate that it is irregular to ask a supplementary question or a question after the question period has expired. He is not alone. I see the hon. member for Regina East and a few other hon. members who were anxious to ask questions but did not have the opportunity to do so. The hon. member for Egmont has been very patient. If there is unanimous consent, the hon. member for Mackenzie may be allowed to ask his question. Is this agreed?

Some hon. Members: Agreed.

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MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBLE DENIAL OF GRANTS WHEN FUNDS STILL AVAILABLE

Mr. S. J. Korchinski (Mackenzie): Thank you, Mr. Speaker, and I thank the House. May I ask the Minister of Labour whether grants were denied for any projects and an announcement made that there were no more funds when in fact funds were still available?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, similar questions have been put before. What frequently arises and what appears to be a discrepancy in approvals and dates has to do with the words "approval" and "final approval". Final approval frequently relates to the time when the contract is actually negotiated and signed. Those dates are sometimes two or three weeks after others have received notice that the funds are all exhausted. There is a discrepancy there which disturbs people but which can be readily explained.

Mr. Korchinski: I rise on a question of privilege, Mr. Speaker, more for clarification than for irritation. It arises out of the fact that on March 15 an answer was provided in reply to a question which I placed on the order paper, question No. 317. On that occasion I asked on what date the final project under the local initiatives program was approved in the province of Saskatchewan. I was informed that the date was March 8. I also asked on what date the town of Sturgis was informed that its project was rejected, and the answer was that it was on February 14. In a letter from the co-ordinator there is an indication that the funds had run out on Feburary 14. My question of privilege is simply this: if the funds had run out on February 14, how is it that a project was approved on March 8?

Mr. Speaker: Order, please. That is obviously a point of debate. I suggest to the hon. member that he may be right in his contention, but this has nothing to do with privilege. If the hon. member would consult the authorities and precedents he would see that a question such as this one cannot be raised by way of a question of privilege. In my way of thinking, privilege is a very important right of hon. members which cannot be used for the purpose of asking supplementary questions or arguing with ministers or other hon. members regarding the accuracy of statements made outside or inside the House. I hope the hon. member will find some way of getting to the minister and trying to obtain a clarification of the statement, perhaps on motions. I appreciate that there is a difficulty in that we will be adjourning for two weeks and it may be that the hon. member might want a clarification of the matter before then. I hope that some way can be found to do this other than by privilege.

Mr. Korchinski: Mr. Speaker, may I then raise this question at ten o'clock two weeks from now?

Mr. O'Connell: Mr. Speaker, I would be glad to look into any specific situation if that will help.

Mr. Speaker: I believe the hon. member for Egmont has a point of order and the hon. member for Prince George-Peace River also has a point of order. At this point I am trying to mend fences. I have not been looking to my right and did not realize that the hon. member was seeking the floor. Perhaps we could continue on points of order and alleged points or order so that first I might recognize the hon. member for Prince George-Peace River, who will be followed by the hon. member for Egmont.

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HIGHWAYS

PROPOSED ALL-WEATHER ROAD BETWEEN FORT NELSON AND FORT SIMPSON—CONSTRUCTION AND COMPLETION OF NORTHWEST TERRITORIES SECTION

Mr. Robert Borrie (Prince George-Peace River): Mr. Speaker, I appreciate the indulgence of the House. In view of the fact the Minister of Indian Affairs and Northern Development has left, I will direct my question to the acting minister. In light of the statement by the government of British Columbia that an immediate start is to be made on the construction of an all-weather road in British Columbia linking Fort Nelson, B.C., and Fort Simpson, Northwest Territories, can the acting minister advise when we may expect work to commence on the Northwest Territories section and when we may expect the completion of the road?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I will secure an answer to that very interesting question.

Mr. Speaker: Before I recognize the hon. member for Egmont, it appears that there might have been a disposition on the part of hon. members to allow the Minister of Labour to reply to the question of privilege of the hon. member for Mackenzie or to his point of order, supplementary question or whatever it was. I certainly have no objection to that if the hon. member would want the minister to do so at this time.

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a brief, non-controversial point of order. Earlier in the question period when the Minister of Indian Affairs and Northern Development was responding on the important matter of the causeway to Lennox Island he mentioned the Minister of Public Works who unfortunately was not here. Since

we will be adjourning for two weeks I wish to ask whoever takes questions for the minister, because of the importance of the matter, whether he would prepare an answer in the interim and give it to the House when the House reconvenes?

Mr. Speaker: Order, please. The Chair has been as lenient as possible but in view of the circumstances we might be allowed to call orders of the day.

GOVERNMENT ORDERS

CANADA LABOUR CODE

AMENDMENTS RESPECTING INDUSTRIAL RELATIONS, LABOUR RELATIONS BOARD, INDUSTRIAL INQUIRY COMMISSIONS AND CONCILIATION BOARDS

Hon. Martin P. O'Connell (Minister of Labour) moved that Bill C-183, to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I rise on a point of order. I find it necessary to bring to your attention, Sir, some methods by which the government brings in bills, one in particular. My point of order relates to Bill C-183. It concerns a breach of a custom of the House with respect to the form in which a bill that amends a statute should be presented. On Monday, if I recall correctly, Your Honour was pleased to give a ruling which opened with the following words:

> Last week, a number of bills were proposed for introduction to the House. The Chair expressed reservations about certain procedural aspects of those bills. While three were then accepted for introduction after serious consideration, seven were held in abeyance. On Friday last, hon. members were given an opportunity to express views on a point of order which queried whether these bills might not affect the financial initiative of the Crown. A number of members participated in the interesting procedural debate and I have now had time to study their arguments—

Your ruling, Mr. Speaker, then exhaustively analysed the acceptability of these bills. In the result, three were found wanting and four were accepted, but only by giving them the benefit of the doubt. The four acceptable bills were then introduced. Immediately thereafter the Minister of Labour (Mr. O'Connell) moved for leave to introduce an act to amend the Canada Labour Code, now Bill C-183.

I do not propose to speak about the distinction in treatment accorded the ten bills presented for introduction by private members and the bill presented for introduction by the Minister of Labour. In the Latin maxim which we use in law, *res ipsa loquitur*, "the matter speaks for itself."

I make the point that the government has not demonstrated that it possesses any greater skill than private members in preparing bills which are in accordance with the rules. I should like to point out that when the bill was tabled it did not have the recommendation of the Governor General. However, the day after, when the bill was distributed to our offices the recommendation of the Governor General was included.

Your Honour will recall the warning you issued to the government in the last session with respect to bills. You will also recall the procedural errors that accompanied the tax reform bill. Had the opposition insisted on adherence to the Standing Orders, Your Honour suggested that you might have to shut down the House for weeks while you checked the bill against the budget resolutions. You will also recall, Sir, that only by special order agreed to by the House was it possible to amend the bill. It is not, therefore, expertise that justifies special treatment for the government on the introduction of bills.

I therefore draw your attention, Mr. Speaker, to the fact that Bill C-183 contains no explanatory note although it proposes to amend a statute. There is no Standing Order that requires an explanatory note in such a case, but almost 50 years of custom have made the practice mandatory. That practice has been swept aside. The Chair, in yesterday's ruling on the bill of the hon. member for Skeena (Mr. Howard), referred to previous rulings on the substance of explanatory notes. You are probably better aware of the origin of explanatory notes than I am, Mr. Speaker. They are founded in the report of the committee on procedure which was adopted by the House on June 14, 1923. The report recommended that in the following session the House adopt these rules:

• (1610)

> 1. In the preparation of bills amending existing enactments the amendments shall not ordinarily be made by clauses which add or leave out words or substitute words for others, but by clauses which re-enect the section, subsection or other minor division, as it is amended.
>
> 2. In the text of the bill, on the left hand page, new matter shall be indicated by such typographical means as may best suit the varying circumstances of each case, such as brackets, italics, underlining, asterisks, etc. Opposite each clause, on the right hand page, the enactment amended thereby, or so much thereof as is essential, shall be printed with the proposed changes to be made therein similarly indicated.
>
> 3. When a clause repeals an existing section, subsection or other minor division of a section, that section, subsection or division, or so much thereof as is essential, shall be printed opposite the clause.
>
> 4. A memorandum by the draftsman explaining briefly the reasons for each clause, shall be appended to the bill, or distributed therewith. Whenever practicable the memorandum shall be printed on the right hand page of the bill, in paragraphs opposite the clauses referred to and numbered correspondingly.
>
> 5. The above rules shall also as far as practicable apply to the reprinting of bills.

Although the House adopted these recommendations, it did not implement them in a subsequent session by incorporating them in the Standing Orders. The other place did make these recommendations rules of that chamber and they are now incorporated in rule 54 of that body. However, as rulings of this chamber bear out, over the past 50 years these recommendations have been applied to bills which propose to amend statutes.

Mr. Speaker, Bill C-183 proposes to amend an existing enactment. It does not comply with recommendations 2, 3 and 4 to which I have just directed my remarks; it does not indicate new matter, it does not reprint repealed clauses, nor does it contain any memoranda explaining

the reasons for each clause. What the bill does contain in lieu of these requirements is a preamble. That preamble has one thing in common with the explanatory note of the bill of the hon. member for Skeena: it is lyrical, to some extent it is poetical, but it is not an explanatory note.

I submit, Mr. Speaker, that the Minister of Labour (Mr. O'Connell) must make his preamble conform more with existing practice and the form that is usual for explanatory notes. I submit that the bill must be withdrawn and reintroduced with proper explanatory notes or, alternatively, that it continue at pro forma first reading stage and with unanimous consent be reprinted with explanatory notes. The bill was introduced only a couple of days ago and a measure as important as this should not be permitted to proceed to second reading stage unless it contains explanatory notes to aid all members of the House.

Mr. Speaker, in order to substantiate my argument I would refer to a bill which was given first reading on February 21, 1972. I refer to Bill C-6. Clause 2 of that bill reads as follows:

> The Criminal Code is amended by adding thereto, immediately after section 178 thereof, the following part—

It then gets into part IV of the bill. The important point that I bring to Your Honour's attention is that there is an explanatory note, in some detail, on the right-hand side of that bill. This fact strengthens my argument. With the bill in question, Bill C-183 which is a bill to amend the Canada Labour Code, particularly part V, industrial relations, there is no explanatory note whatsoever. I think this omission is fatal to the legal presentation of this bill. I need not remind Your Honour that if I am correct in my conclusions and my point of order, the bill is imperfect.

Lastly, I should like to direct Your Honour to Standing Order 69 which reads:

> No bill may be introduced either in blank or in an imperfect shape.

Even though this bill has been introduced I think we are now faced with the problem of an imperfect bill and I would recommend to Your Honour that either of the two alternatives I have pointed out must be adopted.

Mr. Speaker: Order, please. I am prepared to make a ruling at this time on the point raised by the hon. member. Basically, his point is that the bill is not acceptable in form because it does not contain the proper explanatory note. The hon. member suggests that although there is no requirement in the Standing Orders for an explanatory note, there is tradition or practice in support of his contention that bills should always contain an explanatory note and it should be in a certain form.

I agree with the hon. member that the Standing Orders do not provide in any way that it is a requirement that an explanatory note should accompany a bill. In fact, it has been brought to my attention that from time to time bills are submitted to the House without explanatory notes being in them. I have two such bills in my hand. Bill C-4 does not appear to have an explanatory note, neither does Bill C-170, an act to provide for the payment of benefits in respect of children. It seems that the bill before us does not contain an explanatory note. There is, therefore, nothing mysterious about this particular bill.

[Mr. Alexander.]

My intervention the other day in respect of private bills was to say that when there was an explanatory note, it should not be argumentative but should be in the form of an explanation. I fully agree with the hon. member that it is extremely helpful to the House and hon. members to have an explanatory note for their benefit and to assist in their understanding of legislation. However, the Chair, taking into account the Standing Orders and the long established practice of the House, cannot agree with the contention that the bill before us cannot proceed on the basis of the argument advanced by the hon. member for Hamilton West (Mr. Alexander).

Mr. Lambert (Edmonton West): Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. The hon. member for Edmonton West (Mr. Lambert) rises on a point of order.

Mr. Lambert (Edmonton West): The similarity which Your Honour has just drawn to the attention of the House between the bill before us and other bills which do not contain an explanatory note is correct, but a quick perusal of these bills shows that the majority of them are new. I think it is the practice that new bills do not require an explanatory note. However, I think it is invariably the practice of this House that when there is an amending bill there is an explanatory note.

Mr. Speaker: I might add, as a conclusion to the ruling I was making, that Bill C-183 does have an explanatory note. This has just been brought to my attention. The explanatory note is at the back of the bill. I took the word of the hon. member for Hamilton West because he went to the trouble of making an extensive argument. I therefore assumed that there was no explanatory note. However, there is one. It may not be satisfactory, it may not be in the proper terms, it may not be in the same form as other explanatory notes, but at least there is an attempt to include one in the bill. That fact weakens the hon. member's argument and strengthens the ruling of the Chair.

Mr. Alexander: Mr. Speaker, I had noticed the explanatory note at the back of the bill, but you will notice also that it refers only to sections 4 and 5 of the Public Service Staff Relations Act. Other than that there is no explanatory note.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, in rising to initiate second reading debate on this bill, an act to amend the Canada Labour Code, I want at once to acknowledge the contribution made to the legislation by my predecessor, the Hon. Bryce Mackasey. I know that hon. members will understand when I say that my colleague sincerely wishes he could be with us today when the principles of this bill are being discussed in the House for the first time.

Hon. members will recall that a bill to amend the Canada Labour Code was first introduced on June 28, 1971. At that time my predecessor made it clear that the bill was being introduced at the end of June for the purpose of stimulating public discussion. The bill did not proceed to second reading and lapsed when the previous session of this House terminated. In the intervening eight months my predecessor and I and senior departmental

officials have received representations from and consulted with most groups in the country representing management and labour. In addition, we have consulted with provincial ministers of labour. On the whole, the original bill was well received. A few provisions, particularly those relating to technological change and picketing, stimulated much public discussion and comment. The present bill incorporates a number of the suggestions received in response to the government's request for comments.

• (1620)

The bill before the House now proposes amendments to improve the legal framework governing the relationships between organized labour and management in enterprises within federal jurisdiction and also affirms the proper role of government as representative of the public interest in those relationships.

The present act forms part V of the Canada Labour Code and was formerly entitled the Industrial Relations and Disputes Investigation Act. That act was passed in 1948 and has remained unaltered. It is no small commendation to the Hon. Humphrey Mitchell, minister of labour in 1948, and to the drafters of the IRDI Act that it is still functional today. One forgets that at that time we were still in the era of the DC-3 airplane, television broadcasting was still in the experimental stage and the St. Lawrence Seaway had not been built.

Our economic performance in the world is of vital importance to all Canadians and it will increasingly be so as the world's economic environment drastically changes through the rest of this decade and, indeed, the rest of this century. Good industrial relations will play a vital part in our economic performance and, accordingly, they will be the concern not only of the parties immediately involved but of all the Canadian public. It is with these thoughts in mind, Mr. Speaker, that we have approached the amendments to part V of the Canada Labour Code.

The government's objectives in its labour relations policy are to promote social justice and economic development. This will be done by providing the legal framework that encourages the development of an efficient and equitable system for industrial relations based on the cornerstone of collective bargaining. These principles are reflected in a new preamble. The preamble recognizes the long tradition in Canada of labour legislation and policy designed to promote the common well-being through encouraging free collective bargaining and the constructive settlement of disputes.

An essential ingredient of free collective bargaining is freedom of association and protection of the right to organize. In this respect, Mr. Speaker, it is my pleasure to inform the House that Canada has ratified International Labour Organization Convention No. 87 which was deposited with the ILO on March 23 by the Canadian ambassador, George Ignatieff. Reference to this convention dealing with the right to organize and to be represented by the union of one's choice is made in the preamble to the bill before us today.

Let me now turn, Mr. Speaker, to some of the provisions of the new bill which I believe are consistent with the over-all goal of labour legislation which I indicated earlier. First I would like to deal with the extension of bargaining rights. The bill would extend bargaining rights to professional employees who until now have not been entitled to bargain collectively. We believe that these people have tended in recent years to be put into a kind of no man's land between management on the one side and the organized worker on the other, without the right to be certified. We propose to rectify this. But in doing so we recognize that professional employees have specialized knowledge and training and that they may choose to have their own bargaining unit.

The bill clarifies in a statutory way the present practice of the Canada Labour Relations Board to grant bargaining rights to employees who have supervisory duties over other employees. If, however, such an employee exercises managerial responsibility or is employed in a confidential capacity in matters relating to industrial relations, then he would be excluded from the bargaining unit as he is at present.

The legislation recognizes that share-of-the-catch fishermen and owner-operator truckers are often in a position of such economic dependency that their relationship is more analogous to that of an employee than to an independent contractor. Accordingly, bargaining rights will be extended to such persons in those industries. I must say, in fairness, that there may be some jurisdictional difficulties with respect to the share-of-the-catch fishermen and we believe that this matter should be settled by the courts.

In extending bargaining rights to persons not previously covered we were cognizant of the fact that these groups could indeed organize and at times strike, but at the same time that they were beyond the dispute settlement procedures of the code. This clearly was not a satisfactory situation and militated heavily in favour of the extension of bargaining rights. It is proposed to permit a union which seeks bargaining rights for a unit that has no bargaining agent to apply to the Canada Labour Relations Board for a representation vote if it can demonstrate membership support of at least 35 per cent in the unit.

A union seeking to displace an existing bargaining agent would still be required to claim majority support at the time of the application for certification. The requirements for the representation vote have been eased to provide that the majority would be determined by a majority of the employees actually voting. Previously, the majority was calculated on the number of employees actually in the bargaining unit whether such employees voted or not. This change reflects common electoral practice.

In addition, we have included provisions designed to put bargaining rights acquired by voluntary recognition, and those acquired by certification, on an equal basis. These provisions also offer protection against the abuse of rights granted voluntarily so that a union carrying such rights would be subject to challenge for a one-year period on the ground that it lacks majority support.

The bill also contains provisions designed to carry over bargaining rights when unions merge or when a business or undertaking is sold. In the same vein, provisions are included in the bill which carry over bargaining rights when an agency of the federal government is transferred

from the public service to a Crown corporation covered by this bill.

The bill would strengthen and extend the provisions regarding unfair practices in such a way as to offer additional protection for employers and trade unions and for individual employees and trade union members.

The jurisdiction over unfair practices is to be transferred from the courts to the Canada Labour Relations Board because we take the view that these questions are primarily ones involving industrial relations and are not properly dealt with as matters of quasi-criminal law. We think that these questions should be dealt with in a different atmosphere. The Canada Labour Relations Board would be empowered to seek accommodation between the parties through the assistance of field officers before the complaint is processed by the board itself.

We propose, further, that the Canada Labour Relations Board be reconstituted as a full-time body. Its members would no longer be representative of employees and employers. This provision has been somewhat misunderstood. We are not saying that members shall not have had a labour or management background. We are merely saying that once appointed to the board they must sever their connection with the organization or firm of employers, as the case may be, that they formerly represented or of which they were a member. There will, of course, be consultation with employers and the labour movement with respect to appointments. The Canada Labour Relations Board would have jurisdiction over unfair practices, deal with problems of successor rights, technological change, declarations of unlawful strikes and orders granting access to premises.

• (1630)

The predecessor bill proposed to clarify the law of picketing. The revised bill before the House has not carried forward that provision because of the representations received from both labour and management. Employers largely held the view that it extended the right to picket. Unions, on the other hand, were of the opinion that it infringed upon well established rights in Canada, rights that have been clearly supported in recent jurisprudence.

During the lifetime of a collective agreement, grievances are resolved by an arbitration process. The bill proposes to strengthen and better define the role of an arbitrator because we believe that arbitration is the only effective mechanism for the settlement of grievances. We have attempted to protect arbitrators' decisions from excessive judicial review.

I come now to the dispute settlement area which is perhaps one of the most important areas in the day to day administration of the legislation. The Minister of Labour is to be given increased flexibility in the use of techniques to attempt to bring about settlements. The minister would have the choice of taking no action at all or of appointing a conciliation officer, a one-man conciliation commission or a conciliation board. Should a conciliation officer be appointed and should he be unable to effect a settlement, the minister would be authorized to take no further action or to appoint a conciliation commission or a conciliation board.

[Mr. O'Connell.]

Thus, depending on the circumstances prevailing, the minister would be free to use the appropriate agency to assist in resolving a dispute without being required to follow the present, more rigid procedure. May I say that the right to strike or lockout would arise seven days after the minister states his intention to take no further action or after the report of a conciliation commissioner or board has been received.

In addition to the use of conciliation procedures the minister may at any time appoint a mediator to assist the parties, but the intervention of a mediator would not in any way affect the timing of a strike or lockout. Provision has been made in the bill that in the event that a serious strike or lockout is threatened at a time when Parliament has been dissolved for an election, the governor in council may postpone until after the election the date on which the work stoppage would normally become legal. This power would be available only when the stoppage would adversely affect the national interest. The Minister of Labour would be required to report to Parliament at the earliest opportunity after the election.

I have left to the last the provisions of the bill dealing with technological change. As hon. members are aware, provisions regarding technological change were incorporated in the bill presented to this House by my predecessor on June 28, 1971. These provisions have been recast for the purpose of clarification, but before I discuss them I wish to express the philosophy of the government underlying these provisions.

Rapid change has become a fact of everyday life and we must recognize it as such. This government's position is clear, that it must encourage technological change if Canadians are to compete successfully in the years ahead in the world's rapidly changing economic environment. On the other hand, the government recognizes that technological change often seriously dislocates or adversely affects those employees directly involved and that such effects ought to be minimized.

Thus, we are faced with two seemingly conflicting goals: on the one hand the encouragement of technological change and, on the other, the desirability of minimizing adverse effects on employees. In studying the options, I believe that the best solution is found in the provisions of the bill. What we are seeking in these provisions is to encourage management and labour to deal with the impact of technological change on employees at the bargaining table. Industrial precedent proves that by working co-operatively labour and management can introduce major technological changes harmoniously.

Perhaps the greatest concern expressed by management about the technological change provisions is the possibility of the collective agreement being reopened during its term. The technological change provisions have been clarified to establish clearly that the collective agreement cannot be reopened where the employer gives notice of the intended technological change before the agreement was entered into, where the agreement establishes procedures by which the effects of the change may be negotiated and settled, or where there are substantive provisions contained in the agreement that the parties specify are intended to assist the employees affected by the change. Under these circumstances the collective

agreement cannot be reopened. The technological change provisions would not apply to existing collective agreements but only to those made after the bill comes into force.

I might point out that the technological change provisions of the act require that before an application be granted by the Canada Labour Relations Board to reopen the contract, the board must be satisfied that a significant number of employees would be substantially and adversely affected. In the event that the Canada Labour Relations Board grants leave to negotiate, the bargaining would be limited to provisions that would assist employees affected by the change; there would be no bargaining over the change itself.

I would also like to outline very briefly the commitment my colleagues and I have made that the legislation needs to be supplemented in a determined and imaginative way by a number of non-legislative initiatives to reduce the undue emphasis on the adversary elements in employer-employee relationships. Among other initiatives, we will be reinforcing the industry specialist and mediation program. We will give new emphasis to labour-management consultation and conference activity and devise means to promote improved efforts by employers and trade unions in the field of industrial relations training. Our research effort will be strengthened.

I conclude by saying, Mr. Speaker, that I believe this proposed legislation is a step forward in the development of a sound legal framework for the process of free collective bargaining in the federal jurisdiction.

Some hon. Members: Hear, hear!

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, Bill C-183, formerly Bill C-253, is an attempt to update the industrial relations section found in part V of the Canada Labour Code. One is impressed with the forceful arguments for change, if only through time, considering that the Industrial Relations and Disputes Investigation Act has been unchanged since 1948. Consultations over the years with those affected by its provisions, and consultations with the provinces have indicated a need for change.

• (1640)

The Woods task force of 1968 in its intensive study also emphasized the need for amendments which would bring about a more meaningful piece of legislation. The public, too, especially of late, has registered its concern about the future of labour-management relations. The trend as presently seen points to more strikes, to the public interest being adversely affected, to loss of dollars, to questionable motives in bargaining, to lack of stability in labour-management relations, to additions to the unemployment rolls and to the deterioration of our competitive position.

It seems to me that labour-management relations are suffering from a sickness which calls for an immediate cure. They are in a deplorable state. In bargaining, it is obvious that confrontation, with emphasis on the adversary system, far outweighs the principle of bargaining in good faith. We are today attempting to inject a serum which will cure this illness. The people of Canada are demanding no less, and they should expect no less. This is the challenge.

The conditions to which I have referred affect the high hopes that Canadians cherish for the future in terms of social and economic goals. At a time when our ability to reach these goals is being strained by policies of our neighbours to the south and elsewhere, we must make certain that the legal framework we finally approve as a means of dealing with labour-management relations does not in other ways strain our ability to make progress.

We cannot be unduly harsh in our attitudes regarding management or labour interests. We do not wish to inject a climate, through legislation, which would have a detrimental effect on the continuing quest for industrial peace and the stabilization of collective bargaining relationships. Two things are certain. First, business needs maximum freedom, in this age of rapid technological change, to inject new ideas and innovations thereby maintaining its competitive position and improving its efficiency. Second, the workers need protection or a reasonable guarantee that they will not be thrown out on the street when these changes mean loss of jobs.

What is involved in all this? The labour law before us applies to industries within the jurisdiction of the Parliament of Canada. These include interprovincial or international rail, road and pipe line transportation, shipping and related services, air transportation, interprovincial or international communications, telephone, telegraph or cable, radio and television broadcasting, and banks. Regardless of the jurisdictional aspect, it is well recognized that the provinces may, and often do, adopt in whole or in part legislation which is implemented federally. Here is another reason for making a conscious and determined attempt to bring forth the right bill.

I am not unnerved or impressed by the government's determination to proceed to the second reading of this measure only two days after the bill received first reading. The government can hardly construct an image of expeditious and decisive reform in this or any other area, whatever may happen in the weeks and months ahead. The fact is that this legislative statement of the government's intentions with regard to the Canada Labour Code is long overdue.

I should like to refer to a few of the highlights of the legislation before us because careful scrutiny must be directed toward all these aspects. I have a great deal of respect for the minister. I know he will recognize that our interest in this subject is as great as his and that he will turn a receptive ear to the suggestions we offer. We shall be dealing, as does the legislation, with questions which include the extension of bargaining rights, the appointment of a full-time labour relations board, a new definition of unfair practices, easier certification of unions, dispute settlements through the minister, enforcement procedures following collective agreements, technological change during the term of a collective agreement and rules in connection with strike action and picketing.

I heard what the minister said about the appointment of a full-time labour relations board. I am pleased he was able to explain some of the uncertainties. I was interested, too, in the new definition of unfair practices and in what was said about the certification of unions. There seems to

be some contradiction implicit in the procedure for certification as compared with de-certification. All these questions, as well as others, will be looked into.

The clauses dealing with technological change during the term of a collective agreement are concerned with a matter which has caused frustration and misgiving not only in business circles but among many who will be indirectly affected. The minister has already explained his stand with respect to the picketing aspect of the bill.

The extensively researched proposals of the Woods task force were made public in December, 1968. We waited until June 28, 1971, for the government's legislative response and now, in March of 1972, we are debating on second reading an amended version of that response. Mr. Speaker, the range, the soundness and the originality of the bill before us today hardly justifies such a prolonged gestation period. In fact, it has not been good for the country. Bill C-253, which was introduced on June 28, 1971, was ill-advised and added to the unacceptably high degree of uncertainty which already existed in the business community. The fact that industry and business has been waiting for this amended bill for the last eight months has undoubtedly cost people their jobs. After studying the highlights I can see no reason why the bill itself, or at least a declaration of intent, could not have been made public months ago.

A government can be excused for taking eight months to reach certain decisions, but not the kind of decisions embodied in this bill. To agonize for eight months over the changes which appear in this measure is pathetic; it is another indication of awesome indecisiveness and bad government. This is not the time for the government to seek to undertake a pretentious effort to speed the present bill through the House. To do so would not serve the government's cause, nor would it serve industrial relations in Canada.

My party wants to see this mini reform debated and decided before the next election. If this does not happen, it is only the government which is to blame. Proper consideration of this bill will call for open and serious discussion at the committee stage. The government has a high responsibility to ensure that experts from the labour, management and academic fields have an opportunity to comment on the legislation and suggest improvements. It is questionable whether this will actually be done when the bill gets into committee. I would remind hon. members that Bill C-253 created a furore because we did not know whether the proposed amendments, particularly those concerning technological change, were soundly based.

I will say that the minister did allay many of the fears which existed. I want to know whether there will really be an opportunity to become involved in discussions with the people I have mentioned. I notice the minister is nodding his head. I am grateful for that attitude. This is important when we are trying to improve the structure of labour legislation which directly affects the community. I am pleased that the minister should agree.

• (1650)

The success of this task will not be known simply by debate in this chamber but, rather, by how the reform is received in the human arena of free collective bargaining.

[Mr. Alexander.]

Our party is prepared to give cautious approval to this bill at the present time in view of the great number of changes relating to the technological aspects of the legislation. I say cautious also in view of the new innovation in regard to strikes.

We want to know whether in fact labour and business are happy with the subsequent amendments that will be brought in. We say that free collective bargaining has been the main foundation of industrial relations in a free society, and this bill does provide improvements to the structure of collective bargaining. Although I should like to say a few words on this matter, may I simply say we accept the use of bargaining procedures in preparing and equipping both employees and firms to deal with technological change.

As I said earlier, if technological change is not faced up to and not made more humane, we will not have adequate or sustained development or as fulfilling and just a society as possible. In scope, this bill provides an acceptable basis for parliament to reform the Canada Labour (Standards) Code. However, let me emphasize that sometimes we get into a hang-up on second reading. Some members seem to think that because a bill has had second reading that is the end of it, that the bill has been agreed to in principle which means it cannot be further amended. I do not accept that argument. I contend we are constantly improving the principle of bills and I want to make it very clear to this House that our party will be making extensive and substantial suggestions in committee for improving these proposals. We will be open and responsive to any suggestions and comments made by those in the community who have an interest and a stake in industrial relations.

However, Mr. Speaker, we are disappointed by the timidity of the entire bill. Hundreds of thousands of dollars have been spent on a task force to provide ideas for a comprehensive overhaul of our industrial relations legislation. A plethora of creative and sound proposals was made by the task force and by many others concerned with industrial relations. There has been ample time and willingness in this House calmly and rationally to undertake a really comprehensive reform. However, I submit that the government has shied away from its big opportunity and I say it has let the country down. This is most evident in the challenge to find some way more effectively to reduce the necessity for strikes and lockouts and more reliably to protect the public interest.

I am very pleased with one part of the bill that has been brought to our attention and I am amazed that this provision has not been heretofore included in the code. I refer to what would happen if the members of the House of Commons were away beating on doors in June and strikes were called. I understand there is a provision in the bill to give the Governor General, or the governor in council, whichever is the correct terminology, power to deal with the situation. I recall one of my hon. friends in the New Democratic Party saying that when one of the members of my party wanted to inquire what would happen in such circumstances he was resorting to Nazi tactics, the tactics of fascism. I was quite surprised to hear that.

Mr. Skoberg: Let us use the War Measures Act.

Mr. Alexander: The hon. member has answered my question, but I did not mention his name. However, I do not want to get sidetracked because I want to give my hon. friends an opportunity to speak on this bill in which I understand they are greatly interested. Strikes and lockouts are an integral part of free collective bargaining. As long as free collective bargaining remains the best way peacefully to settle industrial disputes, we must accept strikes and lockouts. Hon. friends to my left may laugh at this, but a noted labour leader in the United States has remarked that labour strikes are not in keeping with industrial, social or economic development.

Mr. Barnett: Did you say "noted" or "notorious"?

Mr. Alexander: It has also been noted that after the technicians' strike it was also questioned whether the strike was a proper weapon. Perhaps we would have to go into the psychological reasons for strikes, whatever that may mean, but I shall not deal with that question now.

In our increasingly fragile and interdependent society, certain strikes and lockouts cannot be endured and must be disallowed. It is nonsense to suggest that they are always the only course of action. Parliament has intervened to protect the public interest when strikes in essential services have become unacceptably harmful. When the public interest is or has been adversely affected, then common sense is required and we should act in defence of the public interest. I subscribe to that contention, and so do some labour unions. Common sense has required such action in the past and will do so in the future. This subject is neither perverse nor academic, and the bill should have addressed itself to this area. I do not think it has, though it may have made an attempt. Perhaps when we get into committee the minister will explain why the procedure to which I have referred was not followed.

The Woods report dealt with this problem and made several proposals to improve the relationship of free collective bargaining and strikes and lockouts which have an intolerable and measurable effect on the public interest. This key suggestion was strongly endorsed at the annual meeting of our party and it should be in this bill. When parliament is not sitting, the minister has agreed that there is a procedure by which the Governor General can deal with the situation. We believe that when the public interest requires such action, it must remain the responsibility of parliament. Therefore, we feel that the recommendation of the Woods task force regarding a public interest disputes commission—I wonder where it went to—should have been developed legislatively. Such a body would be charged with determining special procedures for resolving industrial disputes in essential services. In addition, where strikes or lockouts occurred in essential areas this body would be responsible for advising parliament on how the public interest was being affected and on what action parliament might take.

This step would not roll back the right to strike or to lock out, nor would it end industrial conflict. However, it would provide parliament with a more comprehensive and informed basis on which to exercise the power it now has to legislate an end to a strike or lockout. Such a proposal is missing from the bill. I know the minister is charitable and I have a great deal of respect for him. I hope he will be able to convince his deputy that there is need for this sort of body charged with looking into the entire area of labour-management relations, thereby creating a climate that would eliminate the strike as a weapon because both sides are better informed.

Contrast this situation with the lack of information we are given by Treasury Board in regard to the Post Office Department. And who knows what is happening in the NABET negotiations? Ministers take the position that they feel it is not right to disclose matters that may affect negotiations while the negotiations are going on. We are about to go home for Easter and we cannot find out what is going on. Perhaps somebody knows. This sort of cat-and-mouse game, not only with labour-management but also with members, should not be permitted in an area of such vital concern. I think the establishment of an industrial disputes commission is a good idea and I see no reason why the government should not take action in this direction.

I want to deal with some of the amendments that the minister has brought in regarding technological change. He is quite right when he says that previously there was no opting out provision if notification was given of changes prior to the time of the signing of the contract. There was no reference to whether in fact the bill affected contracts in existence or which would come into existence at the time the bill was being debated. I think the minister has cleared up this matter, but there is still one point left. The right to strike is still there and we must look into this question.

• (1700)

As I said before, there is a feeling permeating the country, supported by labour, which I think is important, that perhaps we should look at another area. I will not deal with the amendments because I think the minister explained them well. The issue of technological change which creates such concern in terms of the amendments before us is of importance. We are hoping the committee's study will provide a basis acceptable to both labour and management—but we do not know that and this concerns me. I know labour was not happy with the 30-day notice they had to give. Whether this legislation has appeased labour, or whether business is prepared to go along with it remains to be seen. During the debate I think we have had co-operation. No one has bothered anyone, and I do not quite understand this. Perhaps because we know we are going home, and we have just been paid, has made everybody charitable.

The provision for collective bargaining during the length of a contract is not to be taken lightly. I emphasize this fact. Let me refer for a moment to this productive form of collective bargaining. Bill C-253 was certainly a mistake. The proposal of the former minister of labour would have weakened the efficacy of free collective bargaining in the interests of the workers of this country. My friends on my left, with their enthusiasm for that proposal, I would say are intellectually bankrupt. This bill places emphasis on dealing with the effects of technological change during the time a contract is renegotiated. It does not allow the reopening of a contract unless more sensible and available procedures are neglected. We can tighten up this provision. With his expertise, the minister perhaps

can tighten it up sufficiently. In any event, we can explore this area.

This bill covers some 500,000 Canadian employees, many of whom are already negotiating contracts in respect of technological change. Even if this proposal provided such rights to unionized workers in both federal and provincial jurisdictions, which it does not, the two-thirds of the Canadian workers who are not unionized and are just as much affected by technological change would get nothing. We must admit that one-third of the working force is unionized while two-thirds are not. Even if every Canadian worker was unionized and reached by this reform, free collective bargaining could not do a complete job.

This is the main point we make this afternoon. As the Woods report pointed out, and as my party has, the achieving of a more humane and secure community in these times of rapid technological change requires the effective involvement of government in a whole range of economic and social areas. In meeting that challenge it seems to us this government has failed miserably and has made the situation worse. I will not get into that matter again during the debate this afternoon. Everybody knows what we on this side think of the government, but we will stick with this bill and see what happens.

The best climate for technological change for the worker is when there is growth of economic opportunity. Under this government we have had to endure restrictive, timid economic policies, a slowing down of assistance to research and development and no contemporary industrial strategy. Hopefully, this will change in the future under this government or the one that will be formed after June 27.

It is a fact that many of the effects and challenges of technological change to employees are primarily the responsibility of the federal government. Income maintenance, manpower mobility and retraining programs are essential instruments to help individuals deal with change. What is the government's record in this regard? Unemployment insurance reform which does not provide cost of living escalators will soon be inadequate. There have been no reforms or amendments to manpower mobility programs. We have seen a token in-industry retraining programs designed primarily to pad unemployment figures. There have been no changes to the manpower training program which has proven to be inadequate and inaccessible to those most poorly equipped to participate in our fast changing economy.

This bill will receive approval in principle because of the many good things it contains for the Canadian people. But, as I have said, we reserve the right to bring forward serious and substantial suggestions and amendments to improve the bill. In conclusion, I would like to state that the Toronto *Star* of yesterday reported in accurate terms what this whole thing is all about. I know hon. members have read the article, because we read everything we can get in this place, particularly when there is talk about labour-management relations. The last paragraph of this article reads:

> The important thing to remember is that the interests of employer and worker may be in conflict in the short-term, but never in the long. Unless the employer can adapt to change and keep his plant competitive, there will be no jobs. But if the employer does not manage change so as to cushion the impact on his work force, he will have bad labour relations whatever the law says.

We must arrive at an acceptable balance between the interests of business and labour. Hopefully, we will be able to arrive at the necessary solution in this regard.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I am sure hon. members on this side of the House listened as attentively to the hon. member for Hamilton West (Mr. Alexander) as they did to the Minister of Labour (Mr. O'Connell) when he was explaining the provisions of this bill. It is difficult to criticize the hon. member for Hamilton West on his presentation, but he leaves me a little confused as to the stand his party takes on the legislation. This suggests to me the plight of people who become bowlegged from riding fences.

The hon. member suggested that we must maximize business freedom, but at the same time we must give the workers protection. I am wondering whether business needs maximum freedom and workers need only protection and a reasonable guarantee. What is wrong with workers having maximum freedom in dealing with environmental and social conditions? The hon. member, when speaking of the rights of labour, talked about the right to strike but then suggested that we must tighten things up. I ask him, through you, Mr. Speaker, what he was referring to when he said we must tighten things up. First he wants maximum freedom for the business community, and then he suggests we tighten things up in so far as collective agreements are concerned.

I believe the hon. member was being very considerate to one type of individual, but I do not think he would support any legislation which would weaken labour. I do not think his party would bring in the type of legislation, if perchance they had the opportunity to form the government, that would do harm to the Canadian worker. However, I am not certain I would want to give his party that opportunity. Only time will answer that question.

• (1710)

The legislation before us, Bill C-183 to amend the Canada Labour Code, the industrial relations process, is of the utmost concern to all organized workers, management and to most of the unorganized or John Doe people, the public of this country. All too often the non-organized and underpaid millions make no headlines. These people are so easily overlooked. Many people seem to doubt their existence in our society. This is why I believe it is necessary to bring in legislation that will put everybody on an equal footing so that the people of Canada may realize that those who are unorganized should have a say in so far as protection is concerned.

One might ask what this has to do with the bill now before us. I suggest the Canadian public wants legislation that would allow both management and labour to face modern-day, fast moving changes on an equal footing. I do not subscribe to one side having any advantage in this regard. Job security is the most important concern of the working man. The need to control mass lay-offs brought about by technological change is always uppermost in the minds of Canadians because whenever there is a technological change there are lay-offs which affect the purse

strings of the community. The community concerned must accept the situation.

Unless common sense, honesty and decency are practiced by employer and employee, there is room for concern. There must be a restoration of dignity in the job because this brings profit to industry, workers and the general public. Suspicion and hostility have cost the country dearly and this can be reversed only by a feeling of enthusiasm, understanding and co-operation. This bill in a small way does provide that type of relief from the never ending fear of employees that their jobs will be phased out without warning or consideration.

This legislation should also relieve the high tension of the employer in attempting to bring about technological change in the closed period of a contract. At least to some degree advance notice will have to be provided. Management must abandon the idea that the worker is bound to do what he is told simply because obedience is right, desirable or necessary. Every worker must be given the right to plan for change and must be told how change will affect him and his fellow workers.

The real purpose behind good industrial relations must be understanding and moderation. I believe the minister has understanding and I believe he will use moderation in the type of regulations which may be introduced with regard to this bill. If a worker is faced with new machines, new methods and organization which follow one another in rapid succession, if he is confronted with further changes before adaptation is completed, his tensions are multiplied and his fears become greater. If in fact he is told, without consultation with himself or his union, that his job is being sacrificed in the interest of alleged progress, his alarm and resentment will burst out in hostility. I suggest this is the reason we have had wildcat strikes and dissension throughout the country.

This is the type of consultation which should be carried on in respect of good industrial democracy as between management and labour. I hope the bill will provide some stability in this direction. I hope both management and labour can successfully work out industrial peace and contracts where little legislation is required. After all, legislation must be enforced, and this means third party intervention which should be required only in exceptional cases. It is not necessary to have the intervention of a third party if there is good will by the two parties concerned.

We in the New Democratic Party subscribe to the preamble of Bill C-183. While it may not add to the effectiveness of the bill, it does set out the desired goals for free collective bargaining in a democratic society. Sometimes I wonder if the Treasury Board negotiators and, indeed, the President of the Treasury Board (Mr. Drury) have ever read, studied or employed good relations and constructive bargaining practices. One has only to read a reply to a question asked of the President of the Treasury Board to realize how shallow a government department is in so far as good industrial relations are concerned. I refer to issue No. 1 of the Minutes of Proceedings and Evidence of the miscellaneous estimates committee. The President of the Treasury Board was asked a question in committee and his reply was as follows:

—I can assure you that strikes are not the kind of thing that the employer, particularly the federal government, encourages or tries to precipitate—

A member of the official opposition then asked:

Does this pose problems in a negotiating way to the federal government as the one employer with a very large bank roll?

The response to this question is what I am getting at in order to show that there are no meaningful negotiations by the Treasury Board in an attempt to bring about a solution to labour strikes. The response was:

In so far as the employee group—and this is one expectation they may have with a private company—hopes to bankrupt, if need be, the employer, the public service employees I do not think should nourish this particular hope. This is one significant difference.

A philosophy based on a test of economic strength obviously is not appropriate and should not be satisfactory to the public service employee. I think a number of them are recognizing this.

I suggest that with this type of approach to industrial relations it is no wonder we are in a mess in respect of the various contracts being negotiated by that department. As one goes through the bill, various words are used which need clarification if a battle as to legal interpretation is to be stopped before it begins. I am sure that those of us who are involved in looking at words in official contracts realize that the lawyers in this country have made millions of dollars because of the difficulty involved in interpreting sometimes just a small word.

Sometimes I think we would be better off if we used professors of English to write contracts rather than the legal people who normally write them. One word can make a great difference in the interpretation of a clause in a collective agreement. If we look at the interpretation placed on the word "strike", we see where work to rule could be considered to come under the interpretation. Sometimes work to rule or a slowdown can be, and has been, substituted for a strike. I am sure the minister is aware that this is so.

Many observations and representations have been made on the composition of the Canada Labour Relations Board. I was pleased to hear the minister say there will be consultation with employees and employers before people are appointed to the board. We will take him at his word, but we must be concerned about how another minister might do it. There may be merit in establishing a full-time Canadian Labour Relations Board with broadly increased powers and duties. However, nowhere does the bill spell out that members of the board will be equally representative of employees and employers—and one questions giving the governor in council such far reaching authority.

• (1720)

It is necessary to establish a board which fully represents management, labour and the public. All too often boards of this type are composed of learned friends without practical experience in the field for which they are given responsibility. It is absolutely necessary that this board not be composed of politicians, friends of the government, pork-barrel type of appointments, if we are really interested in bringing about sound, respected decisions affecting labour and management relations.

I believe that the Minister of Labour will ensure proper representation on the board. We have heard his commitment with regard to the Canada Labour Relations Board. However, the minister and this government may not be here tomorrow or the day after and a new government may have an anti-union philosophy and fill the board with right-wing reactionaries. We should all be concerned about this. That is why we should have a form of guarantee that the Canada Labour Relations Board will be equally representative of the public, labour and management.

I believe that no provision should be embodied in the legislation which would permit anyone beyond the age of 65 to hold office on the board. This is my personal opinion. I see that there is a provision under which office can be held by a person up to the age of 70. The minister is aware of the many appointments being made of people close to retirement age and all too often an important body becomes strictly a hobby-horse for the people concerned. However, we agree that there are many exceptions in this regard. At the same time, if we had sound rules and sound legislation in so far as the age provision is concerned, I am sure it would be to the advantage of all concerned.

I believe, also, that the legislation should specify that women be represented on the board. I say this specifically for the hon. lady member of our party. Many male chauvinists see women only in a motherhood role, but the majority of the female species have much more than that to contribute. The fact remains that if there is to be a full-time board there must be effective communication between the minister and parties involved, otherwise the whole area of good industrial relations will fall down before the legislation gets off the ground.

In all seriousness I suggest that a woman should be appointed to the board. I think this would be a recognition of the views of the general public. My friends are suggesting just one woman, but I would not hesitate to say that there could be more than one.

Some hon. Members: Hear, hear!

Mr. Skoberg: This suggestion should be given consideration because all too often male chauvinists are appointed to boards and they are the people who end up on top. I am certain all members of the House recognize the importance of freedom of choice in deciding membership for various jurisdictions. Therefore it is important that we recognize the right of unions to apply for certification, and even more so, the importance of making a decision on the matter at the earliest possible time. In the past there have been lengthy delays in granting a vote to unions applying for certification.

A typical example is a union which applied for certification in April of 1971 in the Saskatoon area. On March 13, 1972, they received an acknowledgement that the situation was being considered. In the meantime the turnover in the plant had been tremendous, three of the key members were fired, which cut back on the certification application. Because of the passage of time and withdrawals from the company, the certification which they attempted to obtain no longer merited consideration by the board.

I hope that in spite of the amount of work the Canada Labour Relations Board will have, they will not become bogged down in such situations because this can only result in the stirring up of hostilities. With hostility there is bound to be suspicion and work stoppage.

I should now like to speak about one of the most important concerns of the average worker whether he be in the retail business, in transportation, in industry, in the service industry or in any other industry. I refer to the provisions regarding technological change which are in the bill. It is becoming increasingly apparent that workers in all sections of our economy want some assurance with regard to job security. They are concerned, and rightly so, about technological changes which will make them obsolete or which will allow an insensitive management to charge them with being featherbedders.

Workers have a right in our democracy to expect humane treatment and consideration for the years of service they have contributed to industry. At the same time, surely no one disagrees that management has the right to expect a fair return on their investment. But this cannot be construed to mean that an employee can be turned loose without consideration being given to the contribution which he made to the success of that industry.

That is why the technological change provision in Bill C-183 is so important. That is why I consider that a loophole exists in the bill which may create unnecessary labour disputes between now and the time when many contracts will be open for negotiation. All contracts, whether open or closed, should be treated in the same way in so far as the technological provision in the bill is concerned. When enacted, this legislation should apply in exactly the same way to both open and closed contracts.

It may be expected that a number of industries will try to beat the gun by bringing about changes in their operation under the guise of introducing new operations, although I hope I am proven wrong. Such could be the interpretation of the wording in the legislation where reference is made to a change that is directly related to the introduction of equipment or material. I believe that a change is a change, and whether or not it is directly related to the introduction of equipment or material will not soften the impact.

I should also point out that concern is expressed because no coverage is provided for the shutdown or transfer of a railway terminal. Perhaps this matter is covered in collective agreements. I believe that is the case with most of them. But one has only to refer to the words of Mr. Justice Samuel Freedman to realize the seriousness of the matter. What he said is very important. The minister referred in committee to what Mr. Justice Freedman said. I should like to quote a chapter from the report by Mr. Justice Freedman on technological change—an economic and human problem. He quotes Dr. John T. Deutsch, chairman of the Economic Council of Canada. The quotation reads as follows:

> We are confronted with the problem of how to deal with displacement and dislocation, with the need for retraining, with the development of new skills, with the survival of an enterprise and the investment of new capital, with material and human losses, and with the question of how to distribute new benefits between wages, social welfare and leisure. These are complex and rapidly changing issues which cannot be tackled successfully unless; first, there is mutual concern and mutual recognition of the legitimate role of each party; second, there is realization that neither the

responsibility for nor the cost of adjustment can be imposed solely upon one of the parties or let fall upon the weak; and third, there is a comprehension of the need for objective analysis, for information, for prior study, for consultation and forward planning, and for a readiness to deal with realities.

Mr. Freedman quoted Dr. Deutsch and there is much wisdom in the words quoted. Mr. Freedman wrote:

There is much wisdom in the words above quoted, and the commission is pleased to adopt them as the basis of its approach to the problem now being considered. So well do they define that problem and expose its implications that an extended treatment of it by the commission is hardly necessary.

• (1730)

In the same vein, Mr. Speaker, he quotes Messrs. Somers, Cushman and Weinberg's "Adjusting to Technological Change" as follows:

This differentiation between beneficiaries and sufferers from technological change presents us with a moral as well as an economic problem. Society as a whole is, by and large, a beneficiary. Is it morally acceptable for most of us to enjoy the benefits of new technologies without utilizing every possible means of minimizing the losses and assisting the readjustment of those who are not beneficiaries but sufferers? Society has a moral obligation to accept the cost of necessary programs to this end as a charge against the benefits of technological advance.

In that regard, Mr. Speaker, I suggest we should realize that whether the contract is open or closed, or whether it has another three years to run, there should not be any technological change that would bring suffering to the workers.

Some hon. Members: Hear, hear!

Mr. Skoberg: I assure the minister that the New Democratic Party will be pressing for this change consistently, and until it is brought about debate will be protracted. We consider this to be one of the most important areas omitted from this bill, and of course we will be watching it.

Mr. Speaker, the New Democratic Party will be watching a number of other areas very closely. We question why a change was made from the previous act in that "approximate" is now used in referring to notice being served concerning technological change. Why would the positive approach as to how many employees are likely to be affected be replaced by the word "approximate", which leaves room for argument and interpretation and long and costly legal battles? Why is a word such as "significant" used, which again leaves a veil of doubt and suspicion, and a word like "substantially" when talking about an order to serve notice to bargain? Why the change from the first to the seventh day when talking about the right to strike or lockout being limited during the period between parliaments?

These and other questions will be asked when this bill goes to committee and we have an opportunity to question the minister and hear briefs from interested parties. Even with reservations, we in this party intend to vote for this bill on second reading. When that is completed it will go to committee and there we will ask the type of question that is in the minds of many, in order to find out precisely whether industrial relations are adequately covered in this bill.

We all want equality and a healthy nation. However, no one relishes compulsion because compulsion in one area can only lead to more compulsion. When some hon. members talk about how we will bring about compulsion in regard to labour, we question where this leads. The answer is that it will lead to more compulsion in other areas. This is not what Canadians desire; rather, they desire good labour management relationships bringing peace and stability through true, uninhibited collective bargaining.

Mr. Speaker, we wish the minister well with this bill. We hope that at some time he or one of his colleagues will stand in this House and state that some of the thoughts we have expressed will be given favourable consideration. All employees are entitled to this.

• (1740)

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, I think it is normal to make a few remarks at this stage of the proceedings on Bill C-183, entitled "An Act to amend the Canadian Labour Code". I wish to point out that I took some time to peruse the preamble of the bill. It is very interesting to note the good intentions showing through the purported principles of this bill.

Unfortunately, we see that the purpose aimed at is not always achieved, since the tensions that exist in labour-management relations are certainly no indication that those relations are good and that the methods of settling disputes are effective.

The recommendations contain provisions for the remuneration of the members of the Canada Labour Relations Board, the establishment of offices where it is deemed necessary, the remuneration and expenses of members of the Board in relation to matters investigated and, lastly, the setting up of the whole bureaucracy deemed necessary for the implementation of the various provisions of the act.

I can very well understand that it is not always easy to maintain a constant balance between the fair claims of labour and the requirements of the common good. However, labour legislation must aim at such an objective.

Bill C-183 contains a few amendments as to the administration of the law, in cases of technological changes. It varies somewhat from the present legislation in that its clauses relating to technological changes will not affect collective agreements already in effect, but they will apply after the adoption of this bill. From now on, any employer who is bound by a collective agreement and who intends to effect a technological change must advise the union in writing 90 days prior to the proposed change and he must indicate: (a) the nature of the change; (b) the approximate number of employees who will be so affected and (d) the effect of the changes on employment security.

Should the employer not comply with these requirements, the union is empowered to appeal to the Canada Labour Relations Board and request action. The Board will order the employer to suspend the application of the clauses relating to technological changes for a period of 90 days. Upon a request by a union, the Board will also be empowered to order the employer to negotiate new labour conditions if the changes affect clearly and unfavourably the terms and conditions or security of employment.

What happens in the case of failure to negotiate? Will the unions be able to strike? The new bill does not throw any light on this point.

In fact, it would appear from clause 180 dealing with the right to strike, that the union involved in technological changes allowing for a re-examination of the collective agreement will be in a position to strike provided all the requirements set forth in clause 180 are met. One exception deals with a strike during an election campaign when it goes against the national interests. The governor in council can then prohibit such a strike by order in council until 7 days after the elections have taken place.

There has been also a new amendment to insure that an employee must pay his union funds, at the source or directly, when it is so stipulated in the collective agreement. This is a very strange concept of union freedom. I would now like to point out that in my opinion, real freedom for unions should be clearly established by taking into consideration two points in particular: the freedom to join the union, or to get out of it. This is real freedom for unions.

This bill also proposes to continue the Canada Labour Relations Board in order to make it, as had been suggested by the former Minister of Labour (Mr. Mackasey), a full-time body made up of a chairman, a vice-chairman and four members. If necessary, another vice-chairman and four other members at the most could be added.

Under present circumstances, I think we should rather set up a board of experts secure from undue influences, a group experienced people familiar with labour and management problems; a few experts who could provide accurate data on variations in the cost of living and determine basic wages for workers in various types of industries or services, taking into account all the necessary factors to ensure normal production of goods or services.

There is such a thing as a labour board made up of competent men! What we have to do is assure them of a fair salary and give them the power to make decisions.

In public services, the economic power resulting from the right to strike could be replaced by some adequate mechanism for salary adjustments based on the cost of living index. Let us stop thinking in terms of compulsory contributions or arbitration and start considering a fair and equitable distribution of corporation profits and of workers' salaries, and we will have peaceful labour-management relations. The solution will not be arrived at without effort, but the present situation makes it mandatory that we take appropriate steps if we truly want to avoid anarchy.

Responsible workers, a high percentage of whom have families to support, are entitled to demand some degree of happiness for their dependents, but they should be able to do so without being forced to resort to strikes, when they can unwittingly be the instrument of an enemy using them to promote subversive interests.

Strikes merely lead the worker into a vicious circle. He might get a little more, but will he be better off, after the effects of the strike have ceased and new taxes bring down the value of money and make him consider another strike?

[Mr. Dionne.]

I have here an editorial of Station CJRC on strikes. I quote:

> Strikes are in style. They have become so frequent that they are no longer being kept count of.
>
> We shall be asked to keep calm, told that the rights of workers are sacred and that the strikes of others always seem more reprehensible. But facing that rising tide of walk-outs, all equally costly, let us ask whether such folly will not lead us straight to disaster.
>
> Here is a typical example of a stupid strike: the air controllers. Basically, their 11-day strike gained them a 7 per cent increase in salary. Arbitration, it will be remembered, suggested 15.8 per cent over a period of 27 months. They were offered 17 per cent a few days later. Confrontation led to another arbitration decision, granting them 16.5 per cent. To obtain a 7 per cent salary increase, the controllers lost 11 days' pay—they have no strike fund—causing a loss to the air companies of $22 million, not to speak of inconvenience and expense caused to passengers, who had to bear them with patience and selflessness. Was it worthwhile?
>
> Those in favour of strikes could perhaps benefit by such soul-searching. This might avoid the catastrophe which seems imminent. It is not a matter of being pessimistic, but of being realistic. It is high time.

Before deeper involvement in strikes, workers should give it serious thought. They do have rights which must receive recognition, but there are also rights, and responsibilities related to young people to whom other alternatives than strikes should be taught.

Unions remain democratic instruments of protection for workers, provided they are directed by leaders aware of their responsibilities to their members and the means resorted to in order that management recognize its social responsibilities.

In view of the trend towards centralization, one is often inclined to forget the adequacy of human communication required in order to understand employees' grievances. Necessarily, an instrument of consultation must be established and maintained constantly on the alert, particularly as concerns changing working conditions. It is not normal to give up the morale and well-being of employees for the sake of efficiency, service or performance.

In a fluid situation, as a result of the rigidity of policies of the authorities in command, there grows among employees the desire to test the right to strike.

Labour laws should be formulated with clarity, thus allowing the average worker to grasp their meaning without having too often to consult lawyers, who do not seem to need to go on strike to increase their fees.

Let all those responsible for legislation get their inspiration from the same principles behind the salary adjustments put forward in the case of ministers, hon. members, senators, judges and a group of senior officials, and we will then undoubtedly have laws which will be aimed at preventing useless and harmful strikes.

The right to live, for every individual, stems from a natural right. It must be recognized way before the right to strike or to make exaggerated profits, and the necessary steps must be taken by those who are responsible for legislation, to ensure first of all that each and every one has in fact the right to live. We should be clear-sighted enough to set up a system for the intelligent distribution of existing goods without having recourse to strikes, when the majority of the citizens want to work.

Hopefully, this bill will improve somewhat the situation in a field where solutions are imperative.

[*English*]

The Acting Speaker (Mr. Laniel): Order, please. Is the House ready for the question?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. MacLean: Mr. Speaker, since we expect the messenger from the other place to arrive at any minute and we shall shortly adjourn for the Easter recess, I suggest it is hardly worth the while of any hon. member to begin his speech now. Could we, therefore, not sit here quietly until the messenger arrives?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): Do hon. members agree that we suspend the proceedings until the messenger arrives from the other place?

Some hon. Members: Agreed.

Mr. Peters: Perhaps we could take my unemployment insurance bill.

Mr. Knowles (Winnipeg North Centre): Or my bill to abolish the Senate, which is even more appropriate.

Mr. Paproski: Stanley, there is still a chance for you.

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, I wonder if someone on the government side could undertake to advise the opposition parties, if he cannot advise them at present, several days before the House resumes its sitting on April 13 what the business for that week will be.

• (1750)

Mr. Deachman: Mr. Speaker, I will be pleased to convey that suggestion to the government House leader.

Royal Assent

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

Bill C-55, an act respecting the Electoral Boundaries Readjustment Act—Chapter No. 3.
Bill C-74, an act respecting the Electoral Boundaries Readjustment Act—Chapter No. 4.
Bill C-92, an act respecting the Electoral Boundaries Readjustment Act—Chapter No. 5.
Bill C-167, an act respecting the Electoral Boundaries Readjustment Act—Chapter No. 7.
Bill C-172, an act respecting the Electoral Boundaries Readjustment Act—Chapter No. 6.
Bill C-8, an act to authorize the making of certain fiscal payments to provinces, to authorize the entry into tax collection agreements with provinces, and to amend the Established Programs (Interim Arrangements) Act—Chapter No. 8.

Bill C-169, an act to amend the Income Tax Act—Chapter No. 9.
Bill C-164, an act to incorporate Unity Bank of Canada.
Bill C-175, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1972—Chapter No. 1.
Bill C-176, an act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1973—Chapter No. 2.

Mr. Speaker: As hon. members know, on Wednesday evenings there are no adjournment proceedings. With the consent of the House the "late show" will be advanced to 6.15 this evening and we might adjourn for that purpose to room 16.

[*Translation*]

I remind my hon. colleagues that they are invited to Room 16 to exchange the usual good wishes.

[*English*]

At 6.10 p.m. the House adjourned, without question put, pursuant to Special Order, until Thursday, April 13.

HOUSE OF COMMONS

Thursday, April 13, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

BUSINESS OF THE HOUSE

EXTENSION OF ORAL QUESTION PERIOD TO 60 MINUTES TODAY—ADJOURNMENT UNTIL MONDAY, APRIL 17

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I wish to make a very brief statement with regard to the business of the House which, hopefully, can be translated into a House order.

We have had some discussions and, in view of the events tomorrow, we have agreed that we might extend the oral question period today to occupy a period of 60 minutes. That is the first part of the arrangement. Second, when the House adjourns today it will stand adjourned until Monday, April 17, 1972, at 2 o'clock p.m., the result being that there will be no sitting of the House tomorrow morning or afternoon. The address of the President is an address to a joint meeting of the House of Commons and the Senate. It is not a sitting of the House in the normal sense. That arrangement will permit the facilities to be prepared for the address tomorrow afternoon.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, the President of the Privy Council (Mr. MacEachen) has indicated the situation properly. Although we feel that one hour will hardly suffice to deal with the very serious and large number of problems that the government will have to face, we will accept it for the time being.

Mr. Knowles (Winnipeg North Centre): Agreed.

• (1410)

[*Translation*]

Mr. Fortin: Agreed.

[*English*]

Mr. Speaker: Hon. members have heard the arrangements proposed by the President of the Privy Council. Is it the pleasure of the House to agree?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, under the provisions of Standing Order 43 I ask the unanimous consent of the House to move a motion concerning serious aspects of this country's foreign policy. I move, seconded by the hon. member for Dartmouth-Halifax East (Mr. Forrestall):

That this House suspend all other items of business this day and direct itself to a discussion of those vital questions affecting Canadian-United States relations, in such areas *inter alia* as diplomacy, commerce, energy, resources and environment control so that the President of the United States may have the benefit of the views of the representatives of the people of Canada in this very crucial period in the relationships between our two friendly and allied nations.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the motion proposed by the hon. member. Under the terms of Standing Order 43 it requires unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Burton (Regina East): Mr. Speaker, I wish to move a motion under Standing Order 43. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the subject matter of the latest unpredicted increase in unemployment be referred to the Standing Committee on Finance, Trade and Economic Affairs for study and report thereon and that the standing committee be instructed to call as a witness the Minister of Finance in order to examine him on the accuracy of the government's forecasts of unemployment and to determine the reliability of future forecasts.

[*Translation*]

Mr. Speaker: The House has heard the motion brought forward by the hon. member for Regina East. It requires unanimous consent of the House.

[*English*]

Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*Translation*]

INDUSTRY

MANPOWER SHORTAGE FOR MAPLE SUGAR PRODUCTION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Henry Latulippe (Compton): Mr. Speaker, pursuant to Standing Order 43, I solicit adjournment of the House in order to deal with a matter which I consider to be very urgent, regarding citizens receiving unemployment insurance benefits.

In our region, many citizens operating maple groves need extra labour during the sugar season, which they find practically impossible to hire because those receiving unemployment insurance benefits are unwilling to risk losing this coverage. We humbly request that the House—

Mr. Speaker: Order. I regret having to interrupt the hon. member who seems about to bring forward a substantive motion in the House. The hon. member calls for adjournment of the House under S.O. 43. I take the liberty of reminding him that adjournment of the House must be sought under S.O. 26, which requires advance notice to the Chair.

The hon. member should therefore present his motion otherwise, under S.O. 26.

[*English*]

MOTION TO ADJOURN UNDER S.O. 26

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, pursuant to Standing Order 26 I ask leave, seconded by the hon. member for Hillsborough, to move the adjournment of the House in order to discuss a specific and important matter requiring urgent consideration, namely the issues which are or ought to be discussed between President Nixon and the Prime Minister on the occasion of the visit of the President of the United States to Ottawa, including, in particular, questions dealing with trade relations, foreign investment, pipeline construction from northern parts of the continent, pollution and the Alaska Highway, so that the members of this House, as the representatives of the people, might be able to indicate the views of the people of Canada.

Mr. Speaker: I have serious reservations as to the form of the presentation of the hon. member for Peace River and of the notice he has given to the Chair, but I can confirm that the hon. member has in fact given notice of his intention to move the adjournment of the House for the purpose of discussing a specific and important matter under the provisions of Standing Order 26.

There is little doubt that the subject matter of the hon. member's proposal is of great importance and that the matters he would like the House to consider today are of current and national interest. My difficulty is to determine whether the proposal, though I fully recognize its timeliness, importance and national interest, meets the requirements for immediate debate at this particular moment under the provisions of Standing Order 26.

My understanding of Standing Order 26 is that its provisions relate to a genuine emergency arising suddenly and requiring immediate debate. It does seem to me that the President's projected visit to Ottawa has been common knowledge to members of the House prior to the Easter adjournment. As early as October 15 last it was the subject matter of a question and a reply in the House. The proposed visit was formally announced in the Speech from the Throne on February 17 last. Hon. members need not be reminded that the debate on the address did provide an opportunity to discuss the several topics enumerated by the hon. member for Peace River. Furthermore, each one of these matters has been raised in the House on a number of occasions in the course of debates on supply motions, during the question period, during adjournment proceedings and, as I have said, during the address debate. In light of these circumstances it would be exceedingly difficult for the Chair to allow the motion at this time.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

UNEMPLOYMENT INCREASE—GOVERNMENT POSITION—NEW POLICIES TO COPE WITH PROBLEM—INQUIRY AS TO BUDGET

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Prime Minister, Mr. Speaker. In view of the fact that the seasonally adjusted unemployment figures show that unemployment has risen again to above 6 per cent, I should like to ask the right hon. gentleman whether it is the view of the government that there are plenty of jobs available if people will take them, or whether the government intends to announce any new policies designed to reduce this very disappointing rate of unemployment? In the latter case, would the Prime Minister indicate very briefly what these policies will be?

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

Mr. Stanfield: Then may I put a supplementary question to the Minister of Finance. May I ask the Minister of Finance if he has yet made up his mind whether he will present a budget to the House? If so, when can it be expected, and will it indicate any proposals with regard to the economy?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if a budget is presented to the House sufficient notice will be given so that the hon. gentleman can prepare.

Mr. Stanfield: I have a further supplementary question, Mr. Speaker, for the Prime Minister. In view of the difficulties the government seems to be experiencing in arriving at a policy in this regard, does the Prime Minister intend to seek in this area the assistance of Business International Executive Services?

UNEMPLOYMENT INCREASE—GOVERNMENT ACTION IN ANTICIPATION—SUGGESTED REDUCTION OF INTEREST RATES

Mr. Max Saltsman (Waterloo): Mr. Speaker, my question is for the Minister of Finance. In view of the very serious rise in unemployment, had the government foreseen that this was going to take place?

Mr. Speaker: Order, please. The hon. member might like to rephrase the question; I do not think it can be asked in those terms. Whether the government had foreseen certain events or not is not a question that can be asked at this time. The hon. member might like to rephrase his question.

Mr. Saltsman: May I ask the minister whether he had taken any action in anticipation of this increase in unemployment?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I may not have the foresight of the hon. member but I do not have his gift of hindsight either.

Mr. Saltsman: Mr. Speaker, I should like to ask the minister an additional question and perhaps he will be less inclined to be smart-alecky about the whole thing.

Some hon. Members: Oh, oh!

Mr. Hees: He is trying to build a reputation as a wisecracker.

Mr. Saltsman: I see he is not the only one on that side who is smart-alecky.

Mr. Speaker: Order, please. I gather there is only one hour for the question period.

Mr. Saltsman: My question to the Minister of Finance is this: In view of the artificial level of the Canadian dollar, which is much higher as a result of the policy of the Bank of Canada to maintain higher interest rates than those in the United States, and in view of the serious unemployment situation which requires that there be an increase in manufacturing jobs—

Some hon. Members: Question.

Mr. Saltsman: —can the Minister of Finance indicate whether he is holding discussions with the governor of the Bank of Canada in an effort to reduce interest rates further in Canada?

Inquiries of the Ministry

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I meet with the governor once a week and these matters are under review.

UNEMPLOYMENT INCREASE IN ATLANTIC PROVINCES—SUGGESTED RENEGOTIATION OF REGIONAL ECONOMIC EXPANSION AGREEMENTS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. In view of the increase in the unemployment rate on a regional basis—I am thinking especially of the Atlantic provinces—is the minister prepared to renegotiate the present DREE agreements with the four Atlantic provinces in view of the failure of present agreements seriously to curb rising unemployment?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, agreements can always be renegotiated if all parties wish to do so. If the provinces want to renegotiate part of the agreement I will be pleased to comply with their request.

[*English*]

ATLANTIC PROVINCES—NEW PROGRAMS TO PRODUCE EMPLOYMENT

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a supplementary question for the right hon. Prime Minister. In view of the statement today in the job vacancy survey showing in the Atlantic region a 15 to 1 ratio between unemployed persons and job vacancies, compared with Canada's 12 to 1 ratio, indicating that the Atlantic region has the highest unemployment and the fewest job opportunities, can the Prime Minister say whether he is prepared to introduce some new employment-producing programs for this region of Canada?

• (1420)

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I cannot.

Mr. Lundrigan: Mr. Speaker, in view of the fact the same survey shows Belgium, France, Germany, the Netherlands, Sweden and the United Kingdom with a job vacancy ratio of 1.3 to 1 and Canada with 10.6 to 1, is the Prime Minister now prepared to send out a corrected version of the last six or seven speeches he has made across the country?

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: Order. Does the hon. member for Champlain wish to ask a supplementary?

Mr. Matte: No, Mr. Speaker.

Mr. Speaker: I shall recognize the hon. member for Champlain in a few minutes.

Inquiries of the Ministry

[*English*]

UNEMPLOYMENT INCREASE—SUGGESTED INITIATIVES TO ENSURE BUILDING OF MACKENZIE VALLEY PIPELINE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary question is directed to the Minister of Indian Affairs and Northern Development. In view of the increase in the unemployment rate in this country, is the minister prepared to announce any new initiatives in the direction of ensuring that the Mackenzie Valley pipeline will be built rather than the TAPS pipeline which seems to be the route preferred by the Americans at the present time?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have no special announcement to make in that connection since final decisions have not yet been taken by either side.

[*English*]

UNEMPLOYMENT—CONSISTENCY OF LATEST STATISTICS AND FINANCE DEPARTMENT FORECASTS—FORECASTS FOR COMING MONTHS

Mr. John Burton (Regina East): Mr. Speaker, I should like to direct a supplementary question to the Minister of Finance. Are the latest unemployment statistics consistent with whatever forecasts have been produced within his department? Will he also indicate whether he has forecasts of unemployment in the coming months that he is prepared to make available to members of the House of Commons?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the figures that were published still show there are too many men and women in this country out of work.

An hon. Member: You can say that again.

Mr. Turner (Ottawa-Carleton): I am confident that the strengthening economy will bite into these unemployment figures. I am not in the business of forecasting, but if the hon. member will review what I said when I first addressed myself to this subject during the throne speech debate I think he will have a full answer to his question.

UNEMPLOYMENT INCREASE—INTRODUCTION OF MAKE-WORK PROGRAMS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is directed to the Acting Minister of Manpower and Immigration. In view of the high unemployment rate, is it the intention of the government to introduce make-work programs similar to the local incentives program in the future to overcome unemployment?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, the question of direct employment programs is under constant consideration by the government. If there are any new ones they will be announced in due course in the House.

Mr. Speaker: Order, please. Has the right hon. gentleman a supplementary question?

[Mr. Speaker.]

UNEMPLOYMENT INCREASE—ADVERTISING OF JOB OPPORTUNITIES IN PARIS NEWSPAPERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I believe this question will clarify the whole situation.

An hon. Member: You should have someone over there to do it.

Mr. Diefenbaker: I direct this question to the Secretary of State for External Affairs. I have before me a translation of an advertisement which appeared in *Figaro* and at least two other Paris papers. The embassy of Canada asks that the coupon be filled in and returned and says that those who do so will receive free documentation on the Canadian way of life. It states in part:

> To the higher staff and to the technicians.
>
> To the young graduate like you. In such a case, instead of waiting, write to us. Simply fill in the coupon below and you will receive complete documentation on all the available careers in Canada.

Mr. Speaker: Order, please. I wonder whether the right hon. gentleman has a question to ask after that preliminary?

Mr. Diefenbaker: Mr. Speaker, I put the question in this form because the advertisement suggests that they will get good jobs that are available.

An hon. Member: You shouldn't listen to or believe everything you hear or read.

Mr. Diefenbaker: The hon. gentleman who just interrupted will soon be out of employment, whenever the election occurs.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I ask the minister whether he will table in the House a list of all the good jobs referred to in this advertisement which states:

> You will find out that all good jobs are not filled everywhere. They are available where you are most needed.

Would the minister table a list of the good jobs in the higher echelons, the technical and university trained, that are available and which he had in mind when he inserted this advertisement?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I thank the right hon. member for having asked such a clarifying question. I will look at the advertisement and if I can add something which would be of interest to him or other members of the House I shall do so.

Mr. Diefenbaker: Is the inference to be drawn that the minister did not know the advertisement was being put in the Paris papers?

EXTERNAL AFFAIRS

VISIT OF PRESIDENT NIXON TO OTTAWA—SUBJECTS TO BE DISCUSSED AT MEETING WITH PRIME MINISTER

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Prime Minister whether he can inform the House as to what the agenda is for his meeting with the President of the United States, whether such agenda has been adopted by the two administrations, and what items it covers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there has been no formal agenda adopted for the talks between the President and myself. We will talk informally and have an exchange of views on many, many subjects.

Mr. Lewis: Mr. Speaker, may I ask the Prime Minister whether it is his intention to take up with the President of the United States the present dangerous situation of the war in Viet Nam and whether he will seek an assurance from the President of the United States that nuclear weapons will not be used, even though I cannot believe that administration would permit the use of such weapons, in order to reassure the people of the world that this will not occur?

Mr. Trudeau: No, Mr. Speaker.

Mr. G. W. Baldwin (Peace River): I have a supplementary, Mr. Speaker. Does the Prime Minister intend to ask the President whether the recent statements by Secretary Connally that Canada cannot have a trade surplus with the United States represent the position of the President?

Mr. Trudeau: Mr. Speaker, I do not think I will refer to any particular quotation, whether exact or not. I will ask him for his own view on these things as I did in September.

Mr. Baldwin: Mr. Speaker, can the Prime Minister at least tell us whether he will be discussing with the President the question of the foreign investment policy of this government and, if so, will the government then feel free after the discussion with the President to announce the policy to the House and the country?

Mr. Trudeau: We always feel free to do that, Mr. Speaker.

Mr. Speaker: Order, please. Obviously many members wish to ask supplementaries on this important matter, They will be recognized in a moment. However, before returning to the hon. member for Calgary North for a supplementary as well as others on this subject, I think the Chair should recognize the hon. member for Champlain.

Inquiries of the Ministry

[*Translation*]

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—INTERVENTION OF MINISTER—MEASURES TO AVOID LOCK-OUT

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Secretary of State.

Have the parties concerned asked the minister to intervene in the conflict between the Canadian Broadcasting Corporation and NABET?

Hon. Gérard Pelletier (Secretary of State): No, Mr. Speaker.

Mr. Matte: Mr. Speaker, I should like to put a supplementary question.

Does the minister intend to do something in that connection, so that the Canadian people may obtain the services they are paying for?

Mr. Pelletier: Mr. Speaker, I think that the Department of Labour, which is directly responsible, is quite busy at the present time trying to settle the conflict.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, a supplementary.

I should like to know whether, before the CBC authorities imposed the lock-out, the minister was consulted with a view to ascertaining whether or not it might not have been possible to proceed by injunction against NABET members to order them back to work, that the people might benefit from the services of the CBC for which they pay so dearly?

Mr. Pelletier: Mr. Speaker, I understand the dissertation but I fail to grasp the question.

Mr. Asselin: Mr. Speaker, a supplementary. I shall clarify my question.

Did the minister advise the CBC authorities to get an injunction ordering NABET members to return to work before the lock-out?

Mr. Pelletier: No, Mr. Speaker. With regard to the allegation that the CBC locked out its staff, the situation is not as clear cut as the hon. member makes it to be.

• (1430)

[*English*]

Mr. Speaker: Order, please. Is the hon. member for Edmonton West rising on a supplementary? The Chair undertook a moment ago to return to the previous question on which I believe there are a few supplementaries, beginning with the hon. member for Calgary North.

Inquiries of the Ministry

OIL

POSSIBLE DISCUSSION OF NORTHERN PIPELINE ROUTES WITH PRESIDENT NIXON DURING VISIT TO OTTAWA

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Prime Minister. Would the Prime Minister be prepared to clear up the question of whether pipeline routes, the Alaska route to Valdez or the overland route down the Mackenzie Valley, will be discussed with the President of the United States during his visit to Canada? I ask this in light of the fact that the Alaska route seems to be a *fait accompli* and in view of the fact that there is a serious danger of pollution to the west coast of Canada.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot say if that subject will be discussed, but if there is time and an interest in doing so on the part of the President I shall raise it.

Mr. Woolliams: I have a supplementary question for the Minister of Energy, Mines and Resources. Has the minister given any thought to discussing this subject with the President of the United States in light of reports that some discussion in reference to this matter is going to take place with the President?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the question has already been discussed with the American administration.

Mr. Woolliams: May I ask one further supplementary, Mr. Speaker?

Mr. Speaker: The hon. member for Calgary North on a further supplementary.

PROPOSED MACKENZIE VALLEY PIPELINE—STUDY OF ECONOMICS AND ECOLOGICAL EFFECTS

Mr. Eldon M. Woolliams (Calgary North): Would the Minister of Energy, Mines and Resources be prepared to tell the House now what study Canada has undertaken in reference to the economics of the Mackenzie Valley route and the ecology and who is heading that study, or is it being left to free enterprise? Is there some liason between the coporate bodies and the government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Sir. By the end of the current fiscal year the government will have expended approximately $15 million on studies of all phases of the pipeline, from the economic implications right up to the ecological considerations. By the end of this year we would expect to be in a position to provide guidelines to the National Energy Board and other agencies which will have to consider the pipeline, for the purpose of making an evaluation. In effect the board and the government agencies have been and will be further put in possession of the research background for this proposal so they can consider an application.

[Mr. Speaker.]

EXTERNAL AFFAIRS

VISIT OF PRESIDENT NIXON TO OTTAWA—SUGGESTED REFUSAL BY CANADA TO DISCUSS CERTAIN SUBJECTS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. In view of the fact the Prime Minister stated that discussions between himself and the President of the United States would be of a general nature, could he inform the House whether the United States government proposed three specific subjects for discussion which were turned down by the Canadian government? If this is so, why were they turned down?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have never heard of any suggestions the United States made to us that we would have turned down. We are prepared to discuss any subject they want to raise with us as we do between friends.

VISIT OF PRESIDENT NIXON TO OTTAWA—DISCUSSION OF RESUMPTION OF AUTO PACT NEGOTIATIONS

Mr. H. W. Danforth (Kent-Essex): I have a supplementary question for the Prime Minister, Mr. Speaker. In view of the grave implications of the current break in trade talks with the United States, particularly with regard to the auto pact, is it the intention of the right hon. gentleman on behalf of the government to discuss the possibilities of an early resumption of those negotiations when he talks with President Nixon?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question implies that there has been some voluntary interruption in the talks, and this is not the case. I am sure the President and I will discuss general trade matters and we will be saying what we have always said, that there is no interruption on our part, that we are always open to any continuation of those talks.

VISIT OF PRESIDENT NIXON TO OTTAWA—DISCUSSION OF DEFENCE PRODUCTION ARRANGEMENTS—REPLACEMENT OF ARGUS AIRCRAFT BY ORION

Mr. J. M. Forrestall (Dartmouth-Halifax East): I have a supplementary question for the Prime Minister as well, Mr. Speaker. Can the Prime Minister indicate whether, in his discussions with the President, he will touch upon defence production arrangements? If so, will he go into these talks with an open mind or have we already arrived at some agreement in earlier talks with the Americans on this particular subject?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is really getting into the kind of package which has been discussed by the negotiating parties in the last several months until the February meeting. As the Minister of Industry, Trade and Commerce has said, I do not think it would be advantageous for the Canadian government to state publicly what its bargaining position is. I believe he also said that we had discussed a series of subjects and, if my memory is correct, this is one of those which he admitted we were discussing.

Mr. Forrestall: I appreciate the full answer given by the Prime Minister. I wonder if I could now direct a question to the Minister of Industry, Trade and Commerce. In arriving at our bargaining position has the question of the purchase by Canada of the Orion as a replacement for the Argus been taken into consideration?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I remember the then Minister of National Defence saying that the Americans had a number of products they would like to sell to Canada and I remember him saying also that we were making our own estimation and looking at our own requirements.

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TRADE

CANADA-UNITED STATES—DATE FOR RESUMPTION OF TALKS

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Minister of Industry, Trade and Commerce, Mr. Speaker. Has any date been set for resumption of the discussions between the governments of Canada and the United States on the subject of trade and the difficulties and disputes existing between the two countries? The last time I asked the minister, no date had been set. Has a date now been set or is a date under discussion?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No date has been set for formal resumption of the discussions, Mr. Speaker.

Mr. Stanfield: Is a date for the resumption of those discussions being actively sought by Canada?

Mr. Pepin: Mr. Speaker, I have said before that the fact that there are no active negotiations does not mean that the whole exercise has come to a stop. As my friend knows, we have, for example, an embassy in Washington and maintaining contact is the usual type of work we can expect of an embassy.

Mr. Speaker: Again I see that a number of hon. members are seeking supplementaries. For the moment I will recognize the hon. member for Waterloo on a supplementary and then the hon. member for Edmonton West.

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OIL

PROPOSED MACKENZIE VALLEY PIPELINE—CONSIDERATION OF EFFECT ON CANADIAN DOLLAR IN ECONOMIC STUDIES

Mr. Max Saltsman (Waterloo): My question is directed to the Minister of Energy, Mines and Resources, Mr. Speaker, and refers to his earlier statement that studies are being conducted on the Mackenzie pipeline route. In the economic studies that are being conducted is the effect on the Canadian dollar being taken into consideration? If such a study is being made, when will the minister let the House into his confidence on the conclusions of that study?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, and in due course, Mr. Speaker.

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INCOME TAX

PUBLICATION OF REGULATIONS RESPECTING CAPITAL GAINS AND TAXATION OF CORPORATIONS AND PARTNERSHIPS

Hon. Marcel Lambert (Edmonton West): My question is directed to the Minister of National Revenue, Mr. Speaker. Bearing in mind that the new Income Tax Act came into effect on January 1, 1972, will the minister tell the House and the business community when his department is going to publish the regulations dealing with the capital gains tax, taxation of corporations and the complicated business of taxation of partnerships?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I shall take the question as notice and endeavour to provide a reply when next in the House.

Mr. Lambert (Edmonton West): Is the minister implying that he does not know whether he has authorized these regulations and whether they have been published yet?

Mr. Gray: Certainly not, Mr. Speaker.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

MODIFICATION TO ALLOW RECIPIENTS TO WORK IN MAPLE SUGAR INDUSTRY WITHOUT LOSING BENEFITS

Mr. Henry Latulippe (Compton): Mr. Speaker, in the absence of the Minister of Manpower and Immigration, I shall put my question to his parliamentary secretary.

Since maple sugar producers are experiencing difficulties in finding the required manpower, would the parliamentary secretary say whether it is intended to change the unemployment insurance regulations in order to allow the unemployed to work during the sugar season, without losing their entitlement to benefits?

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): This matter will be taken under consideration, Mr. Speaker.

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THE CANADIAN ECONOMY

FOREIGN INVESTMENT—CABINET MEETING WITH INTERNATIONAL BUSINESSMEN—REASON FOR ALLEGED CANCELLATION

Hon. George Hees (Prince Edward-Hastings): I have a question for the Prime Minister, Mr. Speaker. Would the

Prime Minister advise the House if the meeting originally scheduled to start next Monday between the cabinet and 60 very important international businessmen was cancelled because the government is not yet in a position to announce its foreign investment in Canada policy and, if not, why was this very important meeting cancelled?

• (1440)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the meeting on Monday with a business group has not been cancelled. There must be some misunderstanding.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member for South Shore.

Mr. Crouse: Mr. Speaker, I also wish to direct a question to the right hon. Prime Minister—

Mr. Hees: It wasn't cancelled? For Christ's sake!

Some hon. Members: Oh, oh!

Mr. Speaker: Order. The hon. member for South Shore.

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FISHERIES

DISCUSSION OF POSSIBLE JOINT CONSERVATION POLICY WITH PRESIDENT NIXON

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the right hon. Prime Minister. In view of the serious depletion of our fishery resources on the east coast, will there be any discussions between the Prime Minister and the President of the United States directed toward establishing a joint fisheries conservation policy between Canada and the United States on our continental shelf?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

* * *

HARBOURS

SUGGESTED ADDITIONAL EXPENDITURE ON PORT OF CHURCHILL RATHER THAN DEVELOPMENT OF NEW NORTHERN PORT

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Prime Minister. With reference to a recent announcement by the Prime Minister concerning the development of a northern Canadian seaport and the suggestion that this could take place within the next decade, has the Prime Minister considered that by capital expenditures of a rather moderate nature at the port of Churchill this could be achieved within a year or two?

Mr. Speaker: Order, please. I have serious doubts about the way the question is asked. The hon. member is asking for an opinion on whether something might be realized in a year or two. In those terms the question is not in order.

[Mr. Hees.]

Perhaps the hon. member might like to rephrase the question.

Mr. Simpson: On a point of order, with due deference, Mr. Speaker, I wonder whether you got the implication of my question. I just asked the Prime Minister if he would consider this matter.

Mr. MacInnis: He doesn't know where Churchill is.

Right Hon. P. E. Trudeau (Prime Minister): He is dead, Mr. Speaker.

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MANPOWER

LOCAL INITIATIVES PROGRAM—NUMBER OF JOBS CREATED—FOLLOW-UP PROGRAM

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in the absence of the Minister of Manpower and Immigration I would like to direct my question to the acting minister. Can he now say how many jobs have been created under the Local Initiatives Program?

Mr. Speaker: Order. The question as asked should be put on the order paper or considered during the adjournment proceedings. The hon. member might like to rephrase the question.

Mr. Nystrom: I will direct an alternative question then, Mr. Speaker. Can the acting minister tell the House what type of follow-up program he has in mind after the Local Initiatives Program expires?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, as I reported earlier, the question of any direct employment program is under consideration, and if any program comes forward it will be announced.

ON-JOB TRAINING—REJECTION OF STELLA LUCAS FOUNDATION PROJECT AFTER VERBAL ACCEPTANCE—AVAILABILITY OF FUNDS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Acting Minister of Manpower and Immigration. Is it the policy of the minister or at least of the government to honour verbal as well as written assurances regarding subsidization of on-job training programs?

Hon. Martin P. O'Connell (Acting Minister of Manpower and Immigration): Mr. Speaker, I do not know what the hon. gentleman means by verbal assurances. If he has any specific instance in mind I would like to hear about it in those terms.

Mr. Alexander: Would the minister look into the situation concerning an organization in Hamilton, the Stella Lucas Foundation Ltd. which was given verbal assurance to go ahead with a particular program employing some 13 people but after it went ahead its program was rejected by way of a letter negating the original verbal assurance?

Mr. O'Connell: Mr. Speaker, I would be very glad to look into that case, and if the hon. member has any additional information would he please let us have it.

Mr. Alexander: Mr. Speaker, I wish to ask one last supplementary question. Is the minister aware of the fact that there are some 250 to 300 applications under the on-job training program in the Toronto-Hamilton area, and are there enough funds to honour these applications? In other words, are the funds overdrawn or will these applications be looked into and honoured? Is there enough money available?

Mr. O'Connell: Mr. Speaker, the government is all too well aware that there were several hundred very good applications that could not be accepted because the financial limits had already been passed. The program was increased from $20 million to $50 million during the course of its life to try to respond to the flood of applications that came in.

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THE CANADIAN ECONOMY

FOREIGN INVESTMENT—CABINET MEETING WITH INTERNATIONAL BUSINESSMEN

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Am I to understand from the answer the right hon. gentleman made to my colleague from Prince Edward-Hastings—

Some hon. Members: Oh, oh!

Mr. Stanfield: —that the meeting reported to have been arranged with members of the cabinet to enable U.S. businessmen to make representations to members of the cabinet, a meeting arranged by an organization known as Business International Executive Services, is in fact to take place and that the report in the press attributing the cancellation of that meeting to a member of the Prime Minister's staff was wrong?

Right Hon. P. E. Trudeau (Prime Minister): No, I am not saying that, Mr. Speaker, and I am afraid that this question is not the same one. I also hope the hon. gentleman will make sure that the profanity of the hon. member remains on the blues.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, my question to the Prime Minister—

Mr. Speaker: Order, please. The hon. member might wait until he is recognized. I am not sure but I thought the Leader of the Opposition had a supplementary question. If not, I will recognize the hon. member for Prince Edward-Hastings.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my question to the Prime Minister was: was the reason that the meeting originally scheduled to commence Monday between members of the cabinet and 60 important international businessmen—was it cancelled that the government is not in a position to announce its policy on foreign investment in Canada, or was it for some other reason? Would the Prime Minister answer that question?

Mr. Trudeau: Mr. Speaker, the question was not asked in the same terms, as we will see in the blues which I am sure will be complete. I can only go on to say that my meeting on Monday with international businessmen has not been cancelled.

Mr. Hees: As a supplementary question, is the meeting to be held with members of the cabinet or not?

Mr. Trudeau: Mr. Speaker, there is some misunderstanding here. I am sure the hon. member must be talking about a meeting which had been scheduled for Tuesday and which has been cancelled, but there is another meeting on Monday between businessmen and myself.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order. I hope this matter can be concluded soon because we should move on to another question.

Mr. Stanfield: Mr. Speaker, I would like to ask the right hon. Prime Minister whether the foreign businessmen in question are going to have another opportunity to make their representations about the policy of this government before the government announces its policy?

Mr. Trudeau: Well now, Mr. Speaker, the Leader of the Opposition is talking about the meeting which has been cancelled, and it was cancelled by them—

Mr. Stanfield: Cancelled by them?

Mr. Hees: By them?

Mr. Trudeau: Cancelled by them. We have always taken the position that we are prepared to discuss our policies with important visitors from abroad, and we still are.

* * *

NATIONAL REVENUE

ISSUANCE OF INTERPRETATION BULLETIN BY TORONTO "STAR" CONCERNING DEDUCTIBILITY FROM TAXABLE INCOME OF MONEY PAID BY TORONTO STAR FOR "TELEGRAM" SUBSCRIPTION LISTS

Mr. David Lewis (York South): Mr. Speaker, I want to ask what I think is an important question of the Minister of National Revenue. Is he aware of an interpretation bulletin issued by his department in October or November of last year which had the effect of enabling the Toronto *Star* to deduct from taxable income the $10 million paid by that organization for the subscription lists of the Toronto *Telegram*? If he is aware of that, can he indicate to the House the circumstances under which such a bulletin was issued by the department, which saved the Toronto *Star* over $5 million of tax money in connection with that situation?

• (1450)

Some hon. Members: Oh, oh!

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I am precluded by law from discussing the affairs of individual taxpayers, but I will be happy to look into the matter to see what type of further answer I can properly give to that question.

Mr. MacInnis: Mr. Speaker, I rise on a point of order.

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

Mr. Speaker: Order, please. The hon. member rises on a point of order. I will recognize the hon. member for York South on a supplementary afterwards.

Mr. MacInnis: Mr. Speaker, the minister claims he is precluded from discussing the tax affairs of any individual. Many precedents have been established within the last few months in this House when tax concessions to oil companies and others have been discussed.

Mr. Speaker: Of course, that is debate. I would not think that is a point of order on which I ought to rule. The hon. member for York South is recognized for a supplementary.

Mr. Lewis: Mr. Speaker, may I ask the minister if he is aware that an interpretation bulletin was issued in October or November dealing with the acquisition by anyone of a list of customers under certain circumstances? If so, would he inform the House of the circumstances under which such an interpretation bulletin dealing with the deductibility for tax purposes of the purchase price of a list of customers was issued by his department?

Mr. Gray: Mr. Speaker, I will be pleased, as I said, to look into the matter and see what further information I can properly give.

Mr. Lewis: Mr. Speaker, may I ask a further supplementary question. Would the minister be prepared to table a copy of this interpretation bulletin which should, of course, be a public document, and at the same time also table any correspondence between the Toronto *Star* and his department or any notes of any conversations between members of his department and others speaking for or on behalf of the Toronto *Star,* including Hon. Walter Gordon?

Some hon. Members: Oh, oh!

Mr. Hees: Here we go! I smell something coming up.

Mr. Gray: Mr. Speaker, I will be pleased to consider the question of tabling such material as may be proper under our rules.

[Mr. Lewis.]

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—UTILIZATION OF UNEXPENDED FUNDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since the Minister of Manpower and Immigration is away, I would like to ask the Minister of Labour if funds made available to certain municipalities under the Local Initiatives Program will be earmarked for other projects in those same municipalities or whether they will simply be returned to the federal treasury?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, in the case of the funds made available to municipalities for local initiatives programs there was a certain limited amount of overbooking or overfunding in the knowledge that some municipalities would not carry out their projects and that the total of funds would fall back to the limit. That seems to be happening.

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GRAIN

WHEAT—INQUIRY AS TO LEGISLATION RESPECTING TWO-PRICE SYSTEM—MAILING OF CHEQUES FOR THIS YEAR

Mr. Craig Stewart (Marquette): Mr. Speaker, my question was for the minister responsible for the Canadian Wheat Board who is supposed to be here today. In his absence I will direct it to the acting minister. Will legislation pertaining to the two-price system for wheat be introduced and proceeded with before the end of the present session?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I will take this question as notice. It will be answered the next time the minister is in the House.

Mr. Stewart (Marquette): A supplementary question, Mr. Speaker. Can the acting minister tell the House when the farmers' cheques will be mailed for this year?

Mr. Pepin: I am sorry, Mr. Speaker. There are a number of questions on grains that I can answer today, but unfortunately this is not one of them.

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THE CANADIAN ECONOMY

FOREIGN INVESTMENT—CABINET MEETING WITH INTERNATIONAL BUSINESSMEN—REQUEST FOR STATEMENT ON APPROVAL AND CANCELLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. It concerns the arrangement, apparently approved by the Prime Minister and Secretary of State for External Affairs, of conferring upon Business International Executive Services of the United States the exclusive right to have its clients make representations to a substantial

number of ministers of this government. I ask the Prime Minister whether he will make a statement clarifying this whole sordid affair?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stanfield: If so, will he explain in the course of that statement why the arrangement was approved initially and then disapproved when it became public knowledge?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I certainly will not make a statement, but I will answer any question that the hon. member wants to ask about this affair, which is only sordid in his own mind, I am afraid.

Mr. Stanfield: Mr. Speaker, is it the practice of the right hon. gentleman to confer upon a management service company the exclusive right to have its clients make representations to members of the cabinet of this country? Would the Prime Minister also indicate why this was approved in the first instance and then disapproved quite promptly after it became public knowledge?

Mr. Trudeau: On the first question, Mr. Speaker, the answer is no. Of course we did not confer any exclusive right—

Mr. Hees: Mitchell Sharp did.

Mr. Trudeau: —to any particular group to talk to the government. I said earlier that the government is open to representations from any important businessman, Canadian or foreign, who wants to have business with the members of this government and there is no exclusive—

Mr. Hees: Mitchell Sharp did.

Mr. Trudeau: George, keep your cool.

Mr. Hees: I said, Mitchell Sharp organized the meeting.

Mr. Speaker: Order, please. I must bring to the attention of hon. members that, even though the question period is 60 minutes, we will soon be running short of time. A number of hon. members have been waiting to ask questions since the beginning of the question period.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Would the right hon. gentleman agree to table all correspondence between the particular firm or business people themselves and his office, including, perhaps, a copy of the agenda? Would he be prepared to table this tomorrow?

Mr. Trudeau: Mr. Speaker, I certainly would be prepared to table any correspondence between my office and such group. I will see if there has been any correspondence. There may not have been any correspondence. All I know is that this group asked for an appointment and that the appointment was granted to them on the basis that they had met many heads of government and ministers from many important countries, including their own, in the past few years. We accepted to receive them; however, the publicity they had about the proposed meeting and the expectations they raised on behalf of the people they were soliciting for of course were of their own making, and they were not in any way known by the Canadian government.

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HIGHWAYS

PROPOSED ALL-WEATHER ROAD BETWEEN FORT NELSON AND FORT SIMPSON—CONSTRUCTION AND COMPLETION OF NORTHWEST TERRITORIES SECTION

Mr. Robert Borrie (Prince George-Peace River): Mr. Speaker, I wonder if I might have an answer to the question I put to the Minister of Indian Affairs and Northern Development as recorded in *Hansard* at page 1266. In part the question reads:

> In light of the statement by the government of British Columbia that an immediate start is to be made on the construction of an all-weather road in British Columbia linking Fort Nelson, B.C., and Fort Simpson, Northwest Territories, can the ... minister advise when we may expect work to commence on the Northwest Territories section and when we may expect the completion of the road?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am glad the hon. member asked this question. We had to suspend the building of the road from Fort Simpson to Fort Liard because we were not getting anywhere and because the government of British Columbia was not proceeding with its northbound road. But now that they have decided to proceed with this northbound road, we are resuming the building of our road. As to dates, we are studying the matter at the moment and shall inform the hon. member of this in due course.

[*English*]

ALASKA HIGHWAY—SUGGESTED RESUMPTION OF NEGOTIATIONS WITH UNITED STATES ON PAVING

Mr. G. W. Baldwin (Peace River): I have a supplementary question, Mr. Speaker. May I ask the Minister of Public Works if he will immediately resume negotiations with the United States government with regard to a joint arrangement for paving the Alaska highway?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, there were two meetings last fall called by officials of the United States government, at which officials of my department attended. They wanted to obtain some information, some data, with reference to traffic. That data was provided and American officials drew their own conclusion, namely, that they would not participate in a joint venture at this time.

Mr. Nielsen: A supplementary question, Mr. Speaker. Was it not the Canadian position that the Americans should bear 80 per cent of the cost and the Canadian government 20 per cent of the cost? Is that the Canadian government's idea of a joint venture?

• (1500)

Mr. Speaker: Order, please. The hon. member will appreciate that the question as asked is argumentative. Perhaps he could redraft it.

Mr. Nielsen: I will rephrase it, Mr. Speaker. Is the Canadian government not prepared to embark on a joint venture with the American government for the paving of the highway on a 50-50 basis?

Mr. Dubé: No, Mr. Speaker. The negotiations did not reach that stage.

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INDUSTRY

ACTION TO AVOID CLOSING OF SKIL CORPORATION PLANT, RICHMOND, B.C.—ALTERNATIVE EMPLOYMENT FOR WORKERS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. A number of my constituents are badly worried because the Skil Corporation, power machinery division, of which they are employees, has announced that it will close down its Vancouver operation in July. In view of the very serious unemployment situation, will the minister discuss with this company the prospects for keeping their Vancouver plant in operation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, that was done about a year or two ago. We managed to convince the company to stay and continue to produce in Vancouver for a while longer, but they now find they cannot go on any longer. As a matter of fact, this subject is scheduled for debate at ten o'clock. I or my Parliamentary Secretary will try to provide a "Skilful" answer at that time.

Mrs. MacInnis: Will the minister consider making a statement on motions as to what alternative employment can be provided for these workers who are going to be displaced?

Mr. Pepin: Mr. Speaker, this subject will be mentioned in my answer.

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EXTERNAL AFFAIRS

VISIT OF PRESIDENT NIXON TO OTTAWA—INQUIRY AS TO COMMUNIQUÉ FOLLOWING MEETING WITH PRIME MINISTER

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a supplementary question with regard to the presidential visit tomorrow. I do not want to raise any false expectations, but having regard to what the Prime Minister said in reply to a previous question, that there is no agenda of specific items to be discussed and the conversations between the Prime Minister and the President are to be of a general nature and private, can the House assume that a joint communiqué will be issued after the meeting of these two gentlemen outlining where we agree and where we disagree on some of the basic issues between the two countries?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, no plans have been made for a communiqué. It would be much too long if it were to outline the areas on which we agree.

Mr. Nowlan: Can we assume from the absence of the Secretary of the Treasury from the American delegation that there will be no serious discussions between Canada and the United States on some of the basic economic problems affecting the two countries? Also, who initiated the omission of the Secretary of the Treasury, Canada or the United States?

Mr. Trudeau: On the first question, Mr. Speaker, I assure the hon. member that he is free to assume what he wants. On the second question, I imagine it is the President of the United States who decides who will accompany him. I might see if he will entertain a question from the hon. member.

Some hon. Members: Hear, hear!

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HOUSE OF COMMONS

SECURITY MEASURES DURING ADDRESS OF PRESIDENT OF UNITED STATES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. I support him in everything he is doing—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: —to ensure security during the visit of the President of the United States. A great responsibility rests on the Prime Minister in that regard. I ask the Prime Minister whether a rumour that is going around has any basis in fact and whether the tradition of this House of Commons, which in the tradition of the British Parliamentary system has never permitted anyone to have arms within this institution, is going to be maintained tomorrow?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe that what happens in the House of Commons is under the jurisdiction of the Speaker. However, I believe it is possible for me to answer part of the question that is in the mind of the right hon. member by saying we made it quite clear to the Americans that the security of the President while he is in Canada is the business of the Canadian security forces, particularly the RCMP, but while he is in the House of Commons his security will be in the trust of the most excellent security staff of the House of Commons under the direction of the Speaker.

Mr. Diefenbaker: Mr. Speaker, does the Prime Minister admit that there will not be anyone, security force or otherwise of Canada or the United States, permitted to be in the galleries of this House during the visit to the House by the President?

Mr. Trudeau: Mr. Speaker, I assure the right hon. member that the government does not have control over who enters the galleries and who does not.

Mr. Diefenbaker: Any control of the House of Commons?

Mr. Trudeau: I rather think Your Honour would agree with me that it is not the business of the government to determine the security measures to be taken in the House of Commons. I can only say the government has taken upon itself to make clear to the American government that the security of the President of the United States will be well handled by the Canadian security forces, both in the House of Commons and outside.

Mr. Speaker: I believe the hon. member for Oshawa-Whitby has been trying for quite some time to ask a supplementary to a question asked some time ago. I will recognize him for that purpose.

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TRADE

AUTOMOBILES—FAILURE TO ACHIEVE PRICE PARITY WITH UNITED STATES—DISCUSSIONS WITH CANADIAN COMPANIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, it is supplementary to an earlier question with regard to the visit of President Nixon. My question is to the Minister of Industry, Trade and Commerce. In view of the fact that in the past American officials have had a legitimate criticism of our government's failure to achieve price parity for automotive products on both sides of the border, and in view of the fact it was recently revealed that the price differential between Canadian cars and American cars is now anywhere from $250 to $1,250, in short, back to the pre-auto pact level, can the minister inform the House to whether he has discussed this question in recent days with leaders in the Canadian sector of the industry and, if so, what were the results of those discussions?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I would not like it to be understood that the situation described is one that resulted from faster increases in prices in Canada than in the United States. The accentuated price gap is due to the revaluation of the Canadian dollar. As far as principles are concerned, most people in Canada feel there is an inevitable price disparity between the cost of automobiles in Canada and the United States. The question is how wide the tolerable gap should be. We analyse these things all the time. We are now making a deeper analysis.

Mr. Speaker: Order, please. I will recognize the hon. member for Oshawa-Whitby for a short supplementary. I hope he will receive a short reply from the minister.

Mr. Broadbent: Mr. Speaker, I am not accepting the nonsensical premise of the answer. In view of the fact the revaluation of the Canadian dollar should, in fact, have caused a decrease in the price of products in this industry, has the minister taken any action with regard to at least getting some further reduction?

Mr. Pepin: Mr. Speaker, in view of the nonsensical remark made by the hon. member, I feel compelled to remind him that there is an export and import aspect to trade in automobiles between Canada and the USA.

Mr. Speaker: Order, please. I have the impression there is now a debate between the minister and the hon. member.

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PENSIONS

OLD AGE SECURITY—REQUEST FOR INCREASE IN AMOUNT AND FULL COST OF LIVING ESCALATOR CLAUSE

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Prime Minister. In light of the increased cost of living and concern by senior citizens of our country, is the government going to introduce legislation to increase the basic age pension and provide for a full cost of living escalator?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on the premise of the question, the hon. member might want to know that the increase in the cost of living in March was one-tenth of 1 per cent, which is not a bad performance.

Some hon. Members: Hear, hear!

Mr. Trudeau: With regard to the second part of the question, if there is any announcement we will make it in due course.

Mr. Nesbitt: A supplementary question, Mr. Speaker. Is it the intention of the government to take any action to improve pensions for the elderly before this parliament is dissolved?

Mr. Trudeau: Mr. Speaker, I can only say that if there is any announcement to make we will make it in this House.

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• (1510)

SPORTS

1976 OLYMPIC GAMES, MONTREAL—POSSIBLE REQUEST FOR FINANCIAL ASSISTANCE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I should like to direct my question to the Prime Minister. Three weeks have now passed since the right hon. gentleman made his last confession to the House in connection with the Montreal Olympics. Will he tell the House whether he is now aware of what is expected from Ottawa in the way of established programs for the Montreal Olympic games in 1976 and what the cost to the Canadian taxpayer will be?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, there has been no further step taken since I answered the question of the hon. member on this subject.

Inquiries of the Ministry

Mr. Paproski: Is the Prime Minister satisfied that Montreal will not call on Ottawa for money?

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VETERANS AFFAIRS

REQUEST FOR CONSTRUCTION OF HOSPITAL IN HALIFAX

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is to the Minister of Veterans Affairs. I will bother him for some money. Will he cap his distinguished public career by promoting as vigorously as he can an early decision to construct a modern veterans' hospital in Halifax, perhaps tied in with the Department of National Defence?

An hon. Member: And located in East Hants.

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, I expected you to say that this was a representation.

Some hon. Members: Oh, oh!

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[*Translation*]

SPORTS

1976 OLYMPIC GAMES, MONTREAL—PAYMENT OF GRANTS FOR CERTAIN WORKS

Mr. Roch La Salle (Joliette): Mr. Speaker, may I put a question to the Minister of Regional Economic Expansion?

In view of the facilities that will be necessary for the olympic games in Montreal, will this city receive grants for the building of such facilities, which would create many jobs?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, Montreal is not included in a special area, and I am not therefore empowered to grant any assistance for infrastructures.

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[*English*]

GRAIN

TRANSPORTATION TO WEST COAST—COMMITMENT BY RAILWAYS TO SUPPLY EQUIPMENT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in the absence of the minister in charge of the Wheat Board and the Minister of Agriculture, may I direct a question to the Prime Minister. It arises out of a meeting which took place in Winnipeg on April 6 between representatives of grain handling interests and the transportation companies. Was the government given any undertaking by the railroads that they would supply rolling stock and motive power to meet the emergency situation which now faces grain shipment to the west coast?

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): I will be pleased to take notice of the question on behalf of the minister responsible for the Wheat Board.

SUGGESTED DEVELOPMENT OF PORT OF CHURCHILL TO INCREASE HANDLING FACILITIES

Mr. A. P. Gleave (Saskatoon-Biggar): In view of the statement last week that a major northern port is to be developed in the future, may I ask whether any discussion took place in Winnipeg concerning immediate action to develop the port of Churchill so as to double or even treble grain movement from that port?

Right Hon. P. E. Trudeau (Prime Minister): I do not know whether such a discussion took place. I will refer that question also to the minister responsible. I might remind the hon. member that the port of Churchill serves the Atlantic Ocean and points east, whereas the northern port I have in mind would serve the Pacific Ocean area and points west.

Mr. Gleave: A further supplementary—

Mr. Speaker: Order. We have just about run short of time and I think the Chair might be allowed to recognize a few more hon. members before orders of the day are called.

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FISHERIES

MEASURES TO CONSERVE HERRING STOCKS—REGULATIONS GOVERNING SALMON FISHING

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Fisheries. It concerns a petition which was forwarded to the minister by a large number of fishermen in Placentia Bay having to do with the need for conservation measures to protect the herring resources of that area. Does the minister intend to take any action to conserve the herring stocks of the bay in line with the recommendations made by the fishermen?

Hon. Jack Davis (Minister of Fisheries): The answer is very definitely yes. We have recently set up an Atlantic herring management committee. This committee is studying the problem and similar problems, and I hope it will soon be making a recommendation so that I can take the necessary action in that area.

Mr. Speaker: Order. I have a difficult decision to make. We have just about reached the end of the question period. I would hope that we might eliminate supplementaries so as to allow time for direct questions. Perhaps the hon. member for St. John's West might be allowed one supplementary, and then I will recognize the hon. member for Cape Breton-The Sydneys.

Mr. Carter: Can the minister tell the House whether it is his intention to announce new salmon fishing regulations to become effective during the forthcoming salmon season?

Mr. Davis: We have no new regulations to announce. We shall, however, be repeating those made last year to make sure that the fishermen fully understand the announcement made in 1971 with regard to 1972 and future years.

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LABOUR CONDITIONS

CAPE BRETON—REQUEST FOR AID IN CREATING EMPLOYMENT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the persistent and staggeringly high rate of unemployment on the island of Cape Breton, would the minister be good enough to have experts from his department proceed to the island and offer their assistance and co-operation, and work in concert with the officials of the Cape Breton Development Corporation who are apparently encountering extreme difficulty in their efforts to create employment and induce new industry to move into the area?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am glad to hear an acknowledgement of the qualities of the officials of my department. They have been at the disposal of the Cape Breton Development Corporation since the inception of that corporation.

Mr. Muir: They do not seem to be meeting with very much success.

* * *

AGRICULTURE

CROP DAMAGE BY MIGRATORY WATER FOWL— REQUEST FOR COMPENSATION FOR FARMERS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to address a question to the minister in charge of the environment. It arises out of a question I posed to the minister on March 29, as reported at page 1263 of *Hansard,* concerning the responsibility of the federal government in the area of crop damage caused by migratory water fowl. I might say that this causes the farmers of western Canada considerable financial loss. Is the minister now in a position to make an announcement to the House with respect to the details of such a program and, if not, why not, since parts of an announcement have already appeared in the press?

Mr. Speaker: The first part of the question is in order and perhaps the minister might reply briefly.

Hon. Jack Davis (Minister of the Environment): This matter has been discussed with the responsible ministers in the prairie provinces and a recommendation has been made to the government. It is now under active discussion. I believe all parties agree. However, I am unable to announce the result until the discussions here in Ottawa are complete.

Inquiries of the Ministry

NATIONAL PARKS

LAKE LOUISE PROJECT—REQUEST FOR DELAY TO STUDY ECOLOGICAL IMPACT

Mr. Randolph Harding (Kootenay West): Mr. Speaker, perhaps I might put two short questions together and address them to the Minister of Indian Affairs and Northern Development. They concern the proposed Esso Lake Louise Village project. I would ask the minister whether his department has reached a decision following the recent public hearings. If not, will he consider placing a moratorium on the Lake Louise Village development until a thorough study of the ecological impact has been carried out by competent ecologists and evaluated at a public hearing?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we received many representations until April 4 last. We have started looking into them and, in due course, will advise the House of the decision of the government. I can assure the hon. member that, in the course of this study, we will take into account the danger to the environment in that area.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. G. W. Baldwin (Peace River): May I ask the President of the Privy Council to outline the government business which the House will be dealing with next week?

Hon. Allan J. MacEachen (President of the Privy Council): On Monday we would continue to deal with the Canada Labour Code legislation which is now before the House if it is not completed today. After that we would continue discussion of the family income security plan and of the amendments to the Criminal Code in the name of the Minister of Justice, including the hijacking and privacy provisions.

[*Translation*]

GOVERNMENT ORDERS

CANADA LABOUR CODE

AMENDMENTS RESPECTING INDUSTRIAL RELATIONS, LABOUR RELATIONS BOARD, INDUSTRIAL INQUIRY COMMISSIONS AND CONCILIATION BOARDS

The House resumed from March 29 consideration of the motion of Mr. O'Connell that Bill C-183, to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Arthur Portelance (Gamelin): Mr. Speaker, it seems to be particularly pertinent to have today this opportunity to discuss a bill respecting industrial relations in Canada.

• (1520)

All hon. members are currently watching the province of Quebec where a major conflict is paralyzing the public and para-public services. I am quite aware that the Quebec jurisdiction is the only one involved but the citizens cannot be prevented from wondering about the validity of our industrial relations system. This unfortunate event once more emphasizes that labour relations are a major problem in Canadian society and this problem will prevail until new structures are adopted to keep to a minimum the impact of industrial conflicts.

The public discussion of these unfortunate developments is caracterized by two main concepts: first, we have the reactionaries who are advocating the use of the whole legal machinery to impose solutions to these conflicts, starting with compulsory arbitration and up to labour relations lectures.

In this connection, the experience in New Zealand and Australia, where they have compulsory arbitration, proves beyond a doubt that it is not the solution. Industrial conflicts are not solved by making them illegal. When an illegal strike breaks out, the conciliation services of the state are not available. Despite everything, some people maintain that strikes must be declared illegal, that the strikers must be forced back to work, through illegal interventions.

At the other extreme we find those whom I would call adventurers, that is, those who claim that unions do not have enough power, that the state should give them the necessary tools or means to fight for the interests of their members. In practice, those people ask the state to take a stand in favour of union members while, traditionally, the state has played the role of mediator.

Half-way between these two trends of thought, a good many Canadians, while recognizing the positive part played by the trade unions on the one hand, and the dynamism shown by employers on the other hand, admit that public interest should prevail in such conflicts.

At the present time, the province of Quebec is passing through dramatic hours since hospital, school and other public services are almost paralysed. Such a state of affairs, apart from the blame to be assumed by the parties, simply shows that the present system is faulty and that time has come to correct it.

Also, I should like to point to a situation indicating that the present system, if improved through the amendments now before the House, could promote the development of sound relations between employers and employees.

Some ten days ago, the Montreal dockers ratified a contract, signed by their representative, guaranteeing labour peace for three years. Since a large number of the workers affected by this settlement live in my riding, I hastened to get in touch with some of them, in order to obtain further information on this situation; contrary to the first instance I have quoted, it unfortunately did not make headlines in this country's papers.

[Mr. MacEachen.]

The history of the port of Montreal is one of trouble, uneasiness and walk-outs, in which mingled violence and organized crime. Since the creation of the specialists system by industry, the Department of Labour has promised to correct the situation and, for the first time in the history of the port of Montreal, a collective agreement has just been signed, without any work stoppage nor compulsory arbitration being imposed on the parties involved.

• (1530)

I wish to insist on that fact because the shipping industry is a pioneer in the field of technological development and serves, as it were, as a laboratory for modern techniques of transportation. Consequently, there is greater insecurity among and lower productivity by the workers concerned, both major causes of labour disputes.

How is it that in such circumstances the parties involved are able to voluntarily sign a contract which will be binding upon them for the next three years? How is it that in the present situation, which is favourable to the development of labour relations problems giving rise to strikes and often to violence, we should see the industry rationalize its relations and conclude this pact which is to the advantage of all parties concerned? This contract is the result of a constant dialogue, an almost stubborn dialogue between the two parties which, every day for the last three years, have met and tried first of all to identify their problems, to explore all possible solutions and to chose the best one. Labour and management at the port of Montreal are used to talking with one another, to confronting one another, to negotiating and to coming to agreements. It is therefore not surprising that in such circumstances they can come to a peaceful solution of their problems.

This collective agreement is clearly geared to job security. That question was recognized as the primary issue at the port of Montreal. In fact, the salary increases are negligible: 2 per cent the first year, 4 per cent the second year and 4 per cent the third year. How was it possible when we see settlements of 10 or even 15 per cent a year? The settlement became possible because the parties concerned did not hesitate to tackle the problems which they faced. On the other hand, the employer has frankly considered the issue of employment security and taken all possible means to find an answer. The union, for its part, has refused to resort to blackmail in connection with the other clauses of the collective agreement which did not give rise to any important problem. Their agreement probably includes the best plan for security of employment in the country and the employer finds it profitable. The agreement eliminates traditional practices to restrict production, increases standardization of working hours, provides a better definition of each job, in short gives a professional status to the longshoremen. This agreement deals with the whole problem of the effects of technological change. These provisions allow the employer to rely on the stability of his personnel for the next three years.

The purpose of the bill now before the House is to extend to all industries under federal jurisdiction the concept of early negotiations concerning problems which recur during all negotiations. Technological change cannot be ignored. It is a condition for the survival of the employer. Failure to mechanize equipment, introduce new

machinery and streamline operations makes it impossible for him to compete, not only on international markets, but locally. Nor can the workers ignore technological change. They see it as a threat to their livelihood and are prepared to make any sacrifice to prevent lay-offs which usually follow its introduction. It is suggested that the parties meet around a negotiation table to discuss these matters and arrive at an agreement.

It seems to me that we have there—and the case of the port of Montreal proves it—all the conditions favouring industrial peace. Some employers were reticent about our proposals, alleging that we were giving greater power to the union, the power to control the introduction of technological changes. Some union members claimed that we were not going far enough, that the union should be absolutely free to introduce these changes. I think that the solution suggested here is a happy compromise taking into account the employer's obligation to follow the progress of modern technology and respecting the worker's right to minimum security through collective bargaining.

As for so-called public interest disputes, the hon. member for Hamilton West (Mr. Alexander) has suggested the establishment of a commission which would be asked to investigate in that field. I find it difficult to accept that on so vital a matter as that regarding disputes of public interest the first responsibility be given to a non-elected and independent commission which, to all intents and purposes, has no more power than the minister of labour (Mr. O'Connell). In my opinion, in circumstances such as these, the one who must assume the responsibility for the settlement of these disputes must be a member of the government elected for this purpose. I don't think the Minister of Labour should shun his responsibilities by submitting disputes to a third party.

Mr. Speaker, the bill would also provide the right of bargaining rights for professional employees, owners and drivers of trucks and fishermen; it also aims at reconstituting the Labour Relations Board into a full time organization with increased powers, to reinforce the clauses pertaining to unfair practices in order to further protect employers and the union members; it also provides the Minister of Labour with a greater number of instruments to enable him to settle disputes.

As long as we are willing and co-operate, we will achieve this objective and overcome the difficulties brought about by the automation era.

(*English*)

Mr. Charles H. Thomas (Moncton): Mr. Speaker, Bill C-183 now before us for second reading is of such importance and far reaching magnitude it is surprising to me to note the haste with which the government has presented it to the House in an attempt to rush it through. After all the months of consideration of the Woods and various other reports on labour-management relations, along with the introduction of the infamous bill C-253 which came to such a dismal end, I should have thought that when the government introduced the revamped and watered down Bill C-183, it would have given the House a greater opportunity to study the changes in order that a reasonable assessment of the worth of these changes may be made.

Bill C-183 was given first reading on March 27 and was brought into the House for second reading on March 29, at which time very few members had ever seen the bill. It was impossible for us on this side to make a reasonable assessment when we had not even seen it. I thought the hon. member for Hamilton West (Mr. Alexander) did an excellent job in presenting his and our views, even though when working largely in the dark because he had only had the bill before him for a very few minutes. I agree with his statement that we on this side feel revisions to the Labour Code are long overdue. We agree with certain changes and with the need for an overhaul of the code, but there are certain clauses in the new bill about which we still have reservations. We will examine them more thoroughly in the committee.

It was encouraging to have the minister give his consent to the suggestion of the hon. member for Hamilton West that those people who have representations to make on this bill be heard. I hope this will be done in the committee as it will give us a much better opportunity to assess all the implications of Bill C-183, and the changes from Bill C-253 which was so abnoxious to so many people. In case I am accused of exaggeration in referring to the fact that the previous bill, on which this bill was modelled, was abnoxious to people, I should like to refer to a letter I received from one of my constituents who happens to be the general manager of one of the largest employers in the area. He said that the bill was so one sided it gave one the impression of having been drafted by a labour fanatic.

The Labour Code needs to be amended, certainly, but where are the amendments we as Canadians, not just employers and employees, really need? What about legislation dealing with public interest contracts and making the unions legal entities? How long do we have to put up with the use of power by unions because of the present imbalance of power? When are we going to differentiate between a wildcat strike and a long study session, and when are unions going to be responsible for personal property damage caused by so-called lack of administrative control?

While I hasten to inform the House that this letter refers to Bill C-253 and not the bill presently before us, it is a good indication of the feelings of a great body of Canadians today. The Canadian public is worried about the obvious breakdown in relations between management and labour. When the member who spoke earlier began his remarks, he referred to the unhappy situation in Quebec and indicated that this whole matter is one of urgent and pressing concern to all Canadians. It is time the government took some action to resolve this conflict between labour and management.

At the time Bill C-253 was introduced, it was interesting to read a comment by Mr. David Peach, assistant professor of the school of business administration at Western University. The article by Mr. Peach, which appeared in the *Financial Post*, reads in part:

> The government, in my opinion, has introduced a piece of absurd legislation, and its implications should be of real concern to managers everywhere, even though the immediate application of the legislation is limited to the federal jurisdiction.

He goes on to refer to the provisions in the first bill which would allow collective agreements to be reopened

during the life of a contract. I realize that this has been altered in the present bill. The article continues:

Presumably, the government wants to encourage the development of contract provisions which would provide workers with protection against the effects of technological change. The proposed legislation will not achieve this aim. If the government is serious in its intent, it appears the legislation will have to be changed.

A strong case can be made for eliminating the proposed provisions on technological change altogether.

Without agreeing or disagreeing with Professor Peach, I quoted from his article in order to illustrate the great concern Canadians generally have about this type of labour legislation. Is this the best way to create harmony between management and labour? Surely, this is the key to the whole problem. Without that harmony we can legislate from now until kingdom come and nothing will be accomplished. We must have that harmony between management and labour. We should be trying to decide the best way to develop that harmony.

Professor Peach went on to refer to the earlier bill. He said this was the wrong way to develop harmony, that it would only create further antagonism and lead to more strikes and lockouts. He went on to say:

• (1540)

However, there is a better way of going about this than what Mackasey proposes. The solution lies in the 1968 Woods task force report on labor relations.

These few remarks are intended as a background to the concern I wish to express on behalf of myself and those on this side of the House about the chaotic state of labour-management relations today. It is not my intention to point the finger at or place the blame on anyone. However, in discussing this bill I should like to make perhaps four or five specific suggestions concerning areas of the bill which I believe are undesirable and should be changed.

I shall refer to some of the things the bill does not do. While I agree with my colleague from Hamilton West that changes in the labour code are desirable, I wish to enter a caveat that we will consider each of the clauses in the bill in committee and reserve the right to suggest amendments as we see fit. What are the things the bill purports to do or does not do? To start with, the bill, admittedly, represents a considerable improvement over Bill C-253. The technological change clause has been watered down, but here again we will not know the effect of it until we have had an opportunity to study the clause in depth after hearing representations from representatives of management and labour. The wording of the clause is obscure. The minister's opening statement left a bit of doubt concerning how far this change would go. The point is not clear and, therefore, should be discussed extensively in the committee.

The bill is unimaginative and weak in respect of reducing the incidence of strikes and lockouts and their effect on the public interest. I cannot see any provision in this bill that would in any way alleviate the chaotic conditions which exist today. I suggest that some of the provisions in the bill possibly could aggravate present conditions. Those who drafted the bill failed to take advantage of many of the suggestions contained in the Woods report of 1968. I will refer to one or two of these later. The hon. member who spoke previously mentioned that we advocated, or that the hon. member for Hamilton West (Mr. Alexander) advocated, a suggestion contained in the Woods report which he felt was an excellent suggestion.

As I read it, Bill C-183 affects some 530,000 employees in the public service which covers people in the fields of transportation, pipelines, communications and many other federal services. The bill, however, does not affect collective bargaining in respect of public servants who are members of NABET and employees of the CBC, or those who are covered by the Public Service Staff Relations Act. I know members opposite and the minister might say the bill is not intended to do this because those employees are covered by a separate piece of legislation. I agree. However, it seems to me that one of the greatest concerns of Canadians today, whether or not they are hockey fans, is the continuing frustration caused by the fact that a few members of a relatively small union are able in effect to throw the whole country into disruption, anger and disgust. It seems to me this is one of the aspects we should be looking at in respect of this bill or in respect of some clauses which might be added to it.

Another subject which interests members on this side—and this was referred to by the hon. member for Hamilton West—is the Canada Labour Relations Board. The bill will set up this board much along the lines suggested by the Woods report with a chairman, a vice-chairman and four to eight members who would be appointed full time by the Governor in Council. What disturbs us is the fact that the method by which members of the board would be appointed would do nothing to make the board representative of management and labour. We feel there should be an amendment which would ensure an advisory role for management and labour in respect of the appointment of some of the members of the board. This is one suggestion we would have for the improvement of the bill.

The bill also extends bargaining rights. Many more employees will be brought under the umbrella of collective bargaining. The bill would extend bargaining rights to certain professional and supervisory people. Here again, however, the wording of the bill is fuzzy. It is unclear just who would be included under this particular provision. At a time when there is such a great deal of dispute between management and labour, there is also the question of whether it is wise to extend these rights.

I might refer to a brief presented by Domtar Limited in respect of Bill C-253, in which the following point is made:

The extension of collective bargaining rights to professional and supervisory groups at a time when collective bargaining appears to be creating serious economic and social problems is questionable. Existing problems, including the impact on inflation, should be better understood before collective bargaining is extended to new areas. It is suggested that the confines of collective bargaining be kept within the present boundaries until we have learned how to cope with existing problems.

Again, by extending collective bargaining to professional groups, we could very well be faced with a closed shop for professional people.

The Woods Report, at page 149, reads:

... that, in a unit for which a union is the bargaining agent, a member must pay the regular and reasonable

dues of the union whether he takes out a membership or not, as an "agency fee".

This is widely known as an agency shop, and is recognized in the bill. However, the bill goes beyond this to provide legal acceptance of the closed shop, which has been regarded as increasingly indefensible by the Woods Report and has been criticized by the Prime Minister (Mr. Trudeau). Section 161 expressly states that the collective agreements may contain a clause requiring, as a condition of employment, membership in a specified trade union or preference in employment may be given to members of a specified trade union. This section, along with section 125(3), creates the possibility of the very kind of closed shop the Prime Minister has been urging provinces to move against. Taken together, these provisions allow professional employees, doctors, lawyers, engineers, scientists, accountants and so on to establish separate bargaining units and to exclude from employment other professionals who are not members of their union. The government is inviting the kinds of uneconomic and unjust employment restrictions that are far too prevalent at the provincial level at this time. The taxpayers and university graduates need fewer, not more, impediments to employment. I think we should discuss these clauses very carefully in committee and possibly suggest some changes.

• (1550)

I think this bill does not go far enough in another area which I mentioned earlier. In fact you could say that, as written, the bill does very little to promote industrial peace. All of us are concerned about this today. Strikes and lockouts are on the increase. On this side of the House, we feel that it is time the government took remedial action to correct the situation.

Allied with industrial peace is the whole problem of the effect of strikes on the public interest. This aspect has been discussed many times, and the Woods report arrived at some fairly realistic conclusions about it. However, unless and until the government is prepared to offer a solution on how to handle strikes which affect the public interest, the chaos which exists today will continue. Many of the provisions in the bill will serve the public interest by providing machinery to reduce the likelihood of strikes and lockouts, but the bill fails to protect the public in the event of strikes and lockouts in essential services.

One proposal of the Woods task force which was referred to earlier today, and was endorsed in principle by the Progressive Conservative party last year, is as follows:

> A Public Interest Disputes Commission should be established to determine special procedures for resolving industrial disputes for essential services. If the commission is unsuccessful in its efforts it should report to parliament on the situation which would thereby have a more comprehensive and informed basis on which to exercise the power it now has to legislate an end to a strike or lockout.

The question of a public interest disputes commission has been discussed many times. I think it is a logical solution, a sort of court of appeal in labour relations. Certainly, it is worth a trial and possibly such a provision should be included in this legislation. It is not a departure from the principle of free collective bargaining which should remain the cornerstone of industrial relations in Canada. Machinery is provided for finding new ways for collective bargaining compatible with the public interest, as well as assisting parliament in rationally and competently exercising the authority it now has to protect the public interest.

I believe the clauses in the original bill, C-253, which caused the greatest concern and the greatest protest, were those which dealt with technological change. This is a difficult subject. How does one arrive at a tidy balance between the necessity for industry to be competitive by improving its methods, while at the same time ensuring that not too many people suffer loss and deprivation as a result of change? I know the minister is well aware of this, and I was interested to hear him refer to it in his opening statement. He pointed out the necessity for Canadian industry to compete successfully with foreign industry by keeping up with the times, but on the other hand he realises that the result of such changes on workers must be minimized by realistic legislation.

In all this talk of technological change, whenever a company modernizes machinery or introduces new production equipment, we hear the cry that it is all very fine but it is going to throw people out of work. It is the old cry which was heard back in the days of the industrial revolution, the machine would lead to great production but everybody would be out of work. Anyone who has studied economic history would question the veracity of the statement that technological change is necessarily bad. I was interested in a submission by the Canadian Chamber of Commerce in which it is stated:

> Contrary to fears expressed by some people some years ago that technological changes would result in a substantial net reduction in the number of jobs, the fact is that advancing technology has created more new jobs than have been rendered redundant because of it. Thus, any impediment to technological change helps restrict new employment opportunities.

I do not accept that statement 100 per cent because it is a grey area. Figures can be produced on either side but, on balance, it would be very difficult to show that technological change has been bad for all industrial nations. I think it would be much easier to show that without technological change the great nations of the world would not have advanced to the position they are in today. Let us not get caught up in emotion and say that technological changes are necessarily bad and must be controlled, otherwise people will be thrown out of work. I suggest to the House that it is not as simple as that. Technological change is not necessarily bad and we should be very careful not to introduce legislation which might discourage companies from making such changes as are necessary if they are to compete in the world today.

The importance of this must be evident to this House in view of the fact that for the past year and a half we have had agitated debate on the difficulties faced by Canada when competing in world markets. We recall what happened last August when the United States took retaliatory measures to correct their adverse balance of trade. We know what is happening in the markets of Japan and Germany, as well as in the rest of the world, with the economic conditions that exist today. In view of the state of world currency, it becomes more and more important for Canadian industry to keep abreast of scientific,

modern production methods so that we can sell our goods at a competitive price. The question of gearing up production has become more important in the past few years because of several trends. The rise in value of the Canadian dollar has increased foreign competition and required Canadian industry to search for more efficient and recognized means of production.

• (1600)

On the other hand a high level of unemployment, government initiated and therefore out of control, prevents the re-absorption of displaced semi-skilled and unskilled occupational groups into the Canadian labour force. Where Canadian industries have failed to take advantage of technological advances, as in the pulp and paper industry, labour lay-offs have resulted. Many of the problems we are now experiencing in New Brunswick, with lay-offs in the pulp and paper mills, are largely due to the fact that mills did not keep pace with modern production methods. As a result, they find themselves unable to compete with modern plants which use improved methods of production.

Obviously labour and management are directly concerned and interested in technological change. But it is equally obvious, although not generally recognized and admitted, that the Canadian public has an interest. There are reasons for this. In the first place, the Canadian public has an interest as the beneficiary of an efficient and technologically competitive industry, or as the financial victim of an inefficient industry that is protected by tariffs or bolstered by subsidies. In the second place, the Canadian public is interested as the tax source whose taxes are used to assist industry to make technological changes or to assist employees to weather such changes. In the third place, the Canadian public is interested as the victim inconvenienced by industrial strife arising out of the failure of management and labour to reach agreement on technological change.

This public interest is not one of convenience or inconvenience but of responsibility, for the public is responsible for the economic, fiscal, tax, tariff and trade policies of the government of the day. These policies may encourage or discourage an industry in making technological change, or encourage or discourage labour from cooperating in such change. It is reasonable to conclude that the public has a vested interest in the problems of technological change and, arising out of that interest, a right and a responsibility to be a third presence with management and trade unions in contributing to the solution of such problems.

If I have dwelt over long on that particular aspect of the bill, Mr. Speaker, I have done so deliberately because that is something which needs repeating. Since Bill C-253 was introduced, it seems that all we have heard has been the views of the two opposing sides, one saying that technological changes will put workers out of jobs, and the other upholding management by saying that technological changes must be made in order for industry to stay alive in the business world. The present minister has made an attempt to water down the technological change provisions in this bill in order to make it acceptable to both management and labour. His predecessor absolutely refused to do this. But we on this side do not know if the changes made in this bill are exactly what they seem to be on the surface. How far do they go? This is what we must discuss in committee. With all due respect, Mr. Speaker, the wording is fuzzy and vague. Perhaps we have not had time to sit down and read these provisions closely ten or 12 times, although I doubt that repetitious reading would make the words any clearer.

I question if the bill has been modified to the extent that the newspapers would have us believe. However, I want to approach the matter with an open mind. If the minister can convince me of this in committee then I will say, "More power to you; we are all for it." But it is important that we not be stampeded by one side or the other, by business into saying these changes are bad or by labour into saying these changes must be made. It is time somebody started thinking of the Canadian public caught between the two groups.

Just before sitting down, I would like to refer to another aspect of the bill which disturbs me. I suppose hon. members on the other side of the House become tired hearing me talk about this matter time and time again. When the unemployment insurance bill was before the House I said over and over again that it was too complicated and would be impossible to administer. I said the wording of the clauses was fuzzy and too much was left to be filled in by ministerial regulations. The minister and his officials pooh-poohed my contention. They said anybody could understand the bill. We all know what the result has been. I am afraid that this bill will leave itself open to another administrative mess as bad as or worse than anything we have seen under the Unemployment Insurance Act. Here again, I refer to Professor Peach's remarks in reference to Bill C-253, but which are still valid so far as this bill is concerned because there is no basic change with respect to the administration of this measure. Professor Peach said:

> I have not yet mentioned the administrative difficulties the act presents. What criteria are the government, the Labour Board, or the parties going to use to define just what constitutes a technological change? What is meant by a "significant" number of employees?
>
> The minister or the Governor in Council can decide this.
>
> In short, the act is an administrative nightmare.
>
> The proposed revisions constitute a piece of mischievious legislation, one that can logically cast the government as a latter day Luddite. And to what end? Is the legislation really needed?
>
> In the aggregate, technological change does not hurt anyone. The substitution of machine power for man power has been a constant factor in man's development. Despite the increasing rate at which change is occurring and despite a number of gloomy prophesies, a full-employment economy can be a reality today.
>
> Ideally, the government, I think, should limit itself to providing the proper fiscal and monetary policies that will maintain a level of aggregate demand sufficient to provide full employment.
>
> The government is unlikely to restrict its role in this manner, but if activism is to be the rule of the day, a better alternative exists in the Woods Report recommendations.
>
> Hopefully, the government will change its mind in regard to this legislation. If not, we can be thankful that the federal jurisdiction is not the only one in Canadian labour relations.
>
> Business should be aware of the traps that exist in legislation of this kind, and work to keep provincial law free from contamination by this kind of fuzzy thinking.

The professor may have been a little harsh and too critical. I am willing to be convinced. I hope the minister

will be able to convince me and my colleagues in the committee that he has made significant changes in this bill. I also hope that some of the other matters I have raised today will be discussed in the committee. If the changes made in this bill prove to be undesirable, I hope that the minister will accept amendments, if not from this side of the House at least from his own side. We accept the fact that the Labour Code needs revision. We are quite prepared to let this bill go to committee where we will examine it carefully. We have reservations with respect to certain clauses, and we hope that in committee the minister will give a frank and full appraisal of how the bill is an improvement over Bill C-253.

Mr. Jean-R. Roy (Timmins): Mr. Speaker, in speaking on this bill to amend the Canada Labour Code I will at this stage try to keep my remarks general, and related to the principles of the bill and of labour-management relations.

As I look at labour-management problems in this country, and in many others, I wonder if we are progressing very much by introducing legislative measures such as the one now before us, measures which are designed to solve one or several very particular problems, but in many instances are only adding to the irritants which, to my mind, create the great difficulty in labour negotiations. These irritants seem to be endless in number and make adversaries of the parties involved. It is not really the basic principles which cause the serious controversies between labour and management but, rather, the small items which become so important by virtue of their numbers.

• (1610)

Relations between labour and management are like those between a husband and wife who cannot get along, Mr. Speaker, not because they disagree on their basic responsibilities in marriage, family and such, but because of the constant small peckings of one or the other and the wall that the great number of these minor peckings builds between them. I wonder if measures such as the one we are debating do not add to the irritation and do not just build that wall higher and higher between the two parties. How unfortunate it would be if that were so. Every time we add another law, Mr. Speaker, another regulation and another clause in this area, we restrict the basic principle that the preamble proclaims in this bill, the principle of collective bargaining.

I have to chuckle a little every time I see that phrase, "collective bargaining", which, in theory, represents an ideal vehicle for resolving mutual problems between parties. As the theory is put into practice, it would be more appropriate to refer to it as "collective pressure bargaining", since the major, meaningful factor in these negotiations is simply the pressure that one party can bring to bear upon the other, most often not to obtain a proper and equitable agreement but to obtain for that party whatever that pressure can get. Imagine, Mr. Speaker, a system for solving the problems of two parties under which each party tries to hurt the other party to gain its own advantage, whereas the theory of the system implies mutual participation and co-operation.

I continue to be amazed that, with all the wisdom we have, the technological advances we have made, the advances in the social sciences that have taken place, and so on, we have not yet developed methods for solving problems that are superior to the strikes that are harmful to all, including the always innocent third party, the public. I think it is pure fantasy to say we believe in the collective bargaining process and then place all sorts of restrictions on that process, such as the clauses included in this legislative measure. If we are sincere in saying collective bargaining works, then we should let it work freely, as the principle implies, rather than impose all sorts of restrictions. If we need these restrictions, I think we should have the courage to admit that the system does not work as we feel it should, and governments should have the courage to look at something else.

It is said that the clauses in the bill before us regarding technological changes incorporate a new and important principle. Mr. Speaker, I do not think it is a new principle. It may be a concept; certainly, it is not a principle. If it were a principle, it would have the same basic importance for all and would have equal meaning to all parties concerned. I submit that it will have no such balance in meaning and justice. The concept is simply another restriction placed on the true principle of collective bargaining. It is another concept that will become, in numerous cases, one further irritant. It will not apply to all parties alike. It will mean different things in different situations and will have different results in different cases. I like to think principles are more universal and more basic than that, and if the government feels compelled to bring in such concepts, why does it not develop measures and standards that will apply to all workers and not just to the organized people who have the power to negotiate their own agreements? I hardly think it akin to good federalism for a federal government to be enacting measures that discriminate between organized and non-organized labour.

Mr. Alexander: That is divisive.

Mr. Roy (Timmins): There is no justifiable criterion for that sort of distinction, especially by a national government. If the preamble to this bill means that we are entrenching a principle in law that does not now work well and if we are saying that its effectiveness is unquestionable, then I am opposed to that preamble; for, obviously, the principle it enunciates is not the be all and end all in this area. If it were, why would we be bending and altering it by such restrictions as we find in this piece of legislation? Why must we so often be looking at legislation which is presented simply to solve specific short term problems and to render administration more efficient and easy, instead of recognizing and applying the principles and policies of right and justice.

If the government, Mr. Speaker, feels it is necessary to initiate measures such as those in this bill, I say there is a long list of practical measures that could be implemented to eliminate the dreadful irritants of labour-management relations. They are not included in this bill and they, I feel, would be more helpful. Why not identify clearly and describe the responsibilities and privileges that are imposed or granted to both parties involved in strikes and lockouts, so that those responsibilities and privileges clearly mean one thing to everybody and not ten different things to ten different people? Why not establish a clear

distinction between the private sector, which can use an economic factor as a measure of pressure, and the public sector, which can use no such measure. The public sector is sometimes thought to have available to it a bottomless pit, from which both parties to the negotiation can obtain, or give out, unlimited benefits. Surely, there is a good case to be made for having two different governing principles for these two completely different sectors. Why not include the national interest and the interest of innocent third parties as a recognized and valid factor in all such matters.

When we see the present situation in Quebec caused by the common front of public service employees who are openly recommending an illegal disregard of court injunctions applying to those employees, who are flouting and confronting the legal governmental authority, and therefore the citizens themselves—in all probability for political reasons—we realize, surely, that the bounds of responsibility towards the public are being cast aside for the benefit only of a certain group. Why not do something about preventing the dropping of legal charges as part of a settlement, once these charges, which might involve civil or criminal proceedings, have been laid for acts of violence, illegal strikes or lockouts, or fraud and all other such reasons. Surely, permitting such practices ridicules the laws of the country and encourages the continuation and propagation of such illegal acts.

Why not look at the practical, discriminatory situation which allows organized employers to refuse employment to a non-union member but prevents a non-organized employer from requesting non-union employees from Canada Manpower Centres. Is it not time finally to consider making labour organizations legal entities, with full capacity to sue and be sued? Surely, any labour body which is sincere and honest would not object to accepting its full responsibility in our society. Surely, there is no need to excuse these organizations from legal responsibility in order for them to fulfil properly their function in society. Why not review the ridiculous situation caused by illegal strikes, lockouts or slowdowns that now have become normal practice and for which there seems to be no effective remedy? Surely, there is no justification for such practices and our laws and labour boards should not condone, but condemn these actions very severely. All of these, Mr. Speaker, and there are many more, are irritants in the labour-management process. All of these prevent the co-operation and mutual respect between management and labour that is essential for the smooth, effective relations that are necessary for the development of industry and the recognition of human values which all contribute to the prosperity of this country.

I certainly hope, Mr. Speaker, that the measures in this bill have not been introduced simply as a sop to Mr. MacDonald and his Canadian Labour Congress, since I cannot think of any person or organization whose presentations or opinions would be more biased or tainted with the political clap-trap of the NDP which that organization finances, for which they labour and whose political interests they always promote and reflect in any of their representations.

Mr. Peters: And who, very likely, will defeat you.

[Mr. Roy (Timmins).]

Mr. Roy (Timmins): It is really farcical to see this gentleman come and chastise the Prime Minister (Mr. Trudeau) and discredit the government year after year. He does that for his own NDP, socialist political self-interest. He is trying to score propaganda points for that party, and is always pretending he reflects the views of the labour movement membership of Canada.

Mr. Alexander: Now, the hon. member is getting mean.

Mr. Roy (Timmins): I am of the opinion that Mr. MacDonald's views are not synonymous with those of individual, organized members and when he speaks from his political soap box, he does so to the embarrassment and detriment of many of the members for whom he claims responsibility.

Mr. Alexander: Are you going to vote for or against the bill?

Mr. Roy (Timmins): I, personally, Mr. Speaker, have received many representations regarding this bill since its introduction nearly one year ago.

Mr. Peters: The hon. member does not speak for non-union labour.

Mr. Roy (Timmins): A few of the representations were very shortsighted; however, most of them included some very worth-while comments and recommendations. I am convinced that the minister now responsible for this bill has given full consideration to these representations. I have enough confidence in his objectivity to feel that he will give further consideration to all further recommendations. I also know that the minister will not judge suggestions made by their source but, rather, their merit.

• (1620)

Some observations made about governmental affairs are sometimes very surprising, and especially so when one considers the authors of those observations. For instance, when Mr. McLaughlin, as president of a large Canadian chartered bank says his bank will continue to finance American take-overs of Canadian companies because if it does not some other bank will, he demonstrates a restricted concern for Canadian society and enterprise that is close to being unbelievable. Of course, somebody else will finance such take-overs. I doubt very much if Mr. McLaughlin's bank would finance such deals if they were not sound enough to be attractive to someone else. Canadian bankers are well noted for their conservatism in lending, but surely the point is not who would finance such deals but whether that bank should not be using its funds to provide Canadian industry with the money it needs. Surely, a Canadian Chartered bank has a national and social responsibility which Mr. McLaughlin completely ignores here. Surely, industry, commerce and finance are elements of society and their function is to serve that society, not the other way around. The leaders of industry and commerce have a social responsibility which they cannot ignore, and ignoring it begs governments to step in and impose measures that satisfy that responsibility.

The free enterprise system itself will not endure if the private sector refuses its social responsibilty. Every time a

government must initiate another program or regulation to serve the needs of our citizens, a further erosion occurs. We regularly hear the opposition parties and uninformed individuals attribute total responsibility for unemployment, the creating of jobs, the expansion of the economy to the government, but in a free enterprise system it is industry and commerce which create jobs, expand production, and find markets. If industry, with the assistance it can reasonably and rightfully expect from government, does not look after the unemployed, the invalids, the needy, then it should not chastise the government for doing so, thereby fulfilling the responsibility that a society has toward its individual members. Governments set out the goals and aspirations that remain targets for the nation, but flowing from those goals there should be a periodic, clear indentification of the areas of responsibility for government, industry, labour or the general public. Once these are established, all sectors should accept their share of the responsibility for the common good.

Indeed, not only should these responsibilities be accepted, but understood and agreed upon. Such understanding and agreement can only come from meaningful consultation and participation by all, as opposed to tokenism. Sometimes, Mr. Speaker, we ask for representations, discussions and participation, but pay little heed to the observations and recommendations received. Full, sincere consideration must be given to the observations and recommendations presented. It is unworthy to ask for recommendations, receive them, then go around chastising the authors of those recommendations for having expressed their point of view, especially if it differs from our own. In this respect, I have confidence the minister will accept valid and beneficial amendments to the bill at the proper time.

Some hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in my ten years in this House, I doubt whether I have ever heard such an anti-labour, anti-union and anti-worker speech as that just made by the hon. member for Timmins (Mr. Roy). Knowing that constituency, knowing how many workers in that area are organized into unions which they have freely and voluntarily chosen and how they will react to the kind of clap-trap which the hon. member for Timmins has just spouted, I can only assume that the hon. member has no intention of running in the next election. I offer my condolences to the Minister of Labour (Mr. O'Connell) because with friends like the hon. member for Timmins, he does not need enemies.

I do not suppose there could be a worse time to discuss a bill dealing with labour-management relations than today. Over 200 thousand people are on strike in the province of Quebec. Civic employees in both Toronto and Vancouver are also on strike. I point out to the hon. member for Timmins that in the province of Quebec, the party which I represent, the New Democratic Party, does not have much support. The hon. member cannot blame us for that strike. I also point out to the hon. member that the Canadian Labour Congress and its affiliated unions are not the main organizations leading the strike in the province of Quebec. The majority of the workers on strike in the province of Quebec are affiliated with unions organized by the Federation of National Trade Unions. This labour federation was for many years led by the present Minister of Regional Economic Expansion (Mr. Marchand).

The hon. member for Timmins and all other members should be worried about the strikes in the province of Quebec, Vancouver and Toronto. We should all be asking why these strikes are taking place. For almost 100 years labour unions were comprised almost exclusively of blue collar workers, workers in the manufacturing and transportation fields. Of the strikes which took place, 99 per cent were in industry and transportation, the blue collar field. Why do we suddenly have strikes by groups of workers who were not even organized 10 years ago? Until recently these groups refused to admit they belonged to unions, although they sometimes had large organizations which they called associations. We now have strikes of teachers, hospital employees, baseball players and transportation technicians. Why do we have these strikes?

An hon. member from the official opposition spoke earlier today. He compared the difficulties in Canada with the relative peace in terms of labour-management relations in such countries as Japan. For years we have been told that we ought to look at Sweden. Why are there not many strikes in countries like Japan and Sweden? I am sure the Minister of Labour knows for a fact that one of the reasons they do not have strikes is that they have had almost continuously, at least since the end of World War II, virtually full employment. If a company develops a new process, technology or system of operation and a worker or group of workers will be laid-off, the worker knows that the economy of the country is working in such a way that he will get another job. That worker is not likely to be too concerned. He is not likely to go on strike or to demand guarantees that his particular job will be protected, because he knows the economy is working in such a way as to allow him to get a new job if he is laid-off an old one.

• (1630)

The situation in Canada is unfortunately entirely different. For a dozen years or more we have witnessed large-scale unemployment. Under the present government the number of unemployed has doubled in the last four years as compared with the last four years of the Pearson Liberal administration. For almost two years, with the exception of last month, unemployment has been running at the rate of 6 per cent or more on a seasonally-adjusted basis. As hon. members know, NABET members are in dispute with the CBC. Let me make it clear that I am not at the moment saying they are justified in making all the demands they are putting forward. But these workers know there have been major changes in technology, that a great deal of automation has taken place in the field of television, and that a great deal more will take place in the near future. When they see this happening, and realize that hundreds if not thousands of jobs in their industry will disappear, they say: we do not want to bear the entire brunt of this change; we want some protection, certain guarantees. I cannot blame them for doing so, and I do not think the Minister of Labour will blame them either, particularly since the company, in this case the CBC, has virtually refused to discuss the question. In these circumstances, one cannot blame workers for being upset.

Significant changes are taking place in the field of education. I realize that education is not a federal responsibility, but the illustration I propose to use will make it clear why people are concerned about the basic principle in the bill before us. Year after year, for many years, more and more people have been attending schools. As a result, cities and provinces were hiring more and more teachers. Today, for various reasons, the trend is reversed. I am told, for example, that in my own City of Winnipeg there has been a reduction of 2,000 in the student population in the last two years. And this is just a beginning. Teachers will be unemployed. No labour organization I know of has suggested that any person should have the right to keep a job for the rest of his or her life. But people naturally want an assurance, especially if they have worked in an industry or service for a number of years, that they will receive some measure of protection—that the effects of unemployment will be cushioned by early retirements or by keeping people on until sufficient retirements have taken place to ensure that staff reductions are minimized. This is what concerns the workers. This is one of the main causes of the labour unrest we are experiencing now and which we are likely to experience in the future.

The bill we are discussing today looks good. I want to say that the minister made a very sound presentation in introducing it. However, we, together with a great number of ordinary working people, are concerned about the fact that the measure introduced by the minister's predecessor met with such a hostile response from business interests that changes were accepted and embodied in the legislation we have before us. There is a great deal of concern lest these changes may in fact result in weakening the provisions of the legislation, in particular those which have to do with protecting the rights of workers who are adversely affected by technological innovation. Let me put on record just what the minister had to say when he was referring to what had happened since the bill was introduced last year by his predecessor:

> In the intervening eight months my predecessor and I, and senior departmental officials, have received representations from—and consulted with—most groups in the country representing management and labour.

Well, I do not think the minister received many representations of an adverse nature from labour organizations. He certainly received a host of very strong representations from management. I want to tell him that, though we approve the bill as it appears on the face of things, and though we like the speech he made, those of our members who will sit on the committee entrusted with examining the measure clause by clause will tend to take a very careful look at the detailed provisions in order to make sure that the ostensible aim as outlined by the minister will in fact be reflected in the legislation. The minister made some comments which seemed to imply important reservations. He said, and I quote again from his speech:

> The technological change provisions have been clarified and establish clearly that the collective agreement cannot be re-opened where the employer gives notice of the intended technological change before the agreement was entered into, where the agreement establishes procedures by which the effects of the change may be negotiated and settled, or where there are substantive provisions contained in the agreement that the parties specify are intended to assist the employees affected by the change. Under these circumstances the collective agreement cannot be re-opened. The technological change provisions would not apply to existing collective agreements but only to those made after the bill comes into force.

Mr. Speaker, how many tens of thousands of workers may be faced by the consequences of important technological changes introduced by their companies before this bill comes into effect? Experience in negotiations between labour and management, and more particularly in arbitration and in court cases, clearly shows that many judges and many arbitrators still cling to what I consider to be an out-dated belief that what is not written into an agreement is the sole prerogative of management to decide, because of the inherent management rights of employers. The concern I have expressed up to now arises from what I consider to be a glaring gap between what this bill provides—what the minister said it provided for in his introductory remarks—and what a man who cannot be called partisan or political by anyone in this House or elsewhere said when he made what I believe to be the most serious, the most honest and the most far-reaching study of this whole question of technological change. I refer to the report made by Mr. Justice Samuel Freedman in 1964 entitled The Report of an Industrial Inquiry Commission on Canadian National Railway Run-Throughs.

For the benefit of members who were not here at the time or who have forgotten let me briefly recapitulate what happened. The CNR announced unilaterally that, effective as of a certain date, certain runs of their freight trains would be virtually doubled in length. In view of the very adverse effect that this change of policy would have, there was a work stoppage. It was unauthorized. I suppose the hon. member for Timmins (Mr. Roy) would say—probably one of the few times he would say something that is correct—that it was an illegal stoppage. But the railway workers knew what they were doing. They knew that probably such as stoppage was a breach of their existing contract and that it was illegal; but so seized were they of the importance of stopping the company from taking such unilateral action that they were prepared to carry through this illegal stoppage.

• (1640)

In order to get the workers back to work and to get the railways running again, the government of the day proposed the setting up of a one man commission, chaired by Mr. Justice Freedman, to look into the whole question and to make recommendations. On the basis of this proposal by the government, the railway workers went back to work. Mr. Justice Freedman held a number of hearings and looked into the whole question of technological change and its effect upon the work force. He studied the subject in great detail and made a report which I think is a landmark in the history of Canadian labour-management relations. I wish that members of the official opposition, when looking at the record of studies that have been made, would look more to Mr. Justice Freedman's report than to the report made by the Wood commission.

I should like to take a few moments to quote from the section of his report entitled "Technological Change: An Economic and Human Problem". I want to put on the record what Mr. Justice Freedman had to say about the crux of the situation as it affects both management and

labour, and the proposals he made which I think are imaginative, far seeing and practical. I hope that when the committee meets to discuss the provisions of this bill, the Minister of Labour and his officials will convince my colleagues on the committee that I am wrong and that the bill really will do the things that Mr. Justice Freedman proposed should be done. We are dealing with perhaps the most fundamental issue dividing workers and management today, an issue that will become more important in the years to come as a result of the tremendous pace at which technological changes are taking place.

If I may just put on the record a few paragraphs from the report by Mr. Justice Freedman, page 132 reads, in part:

> Taking a broad, national, long-range view and looking at employment in its totality the economists may be justified in contending that technology does not cause unemployment.

May I digress for a moment to say that this was the argument put forward by one member of the Conservative opposition who spoke earlier this afternoon. It is true that technology and industrialization have meant more production and more work. But this is little comfort for the worker who is displaced, who loses his job because of technological change. It may be that one month, or six months, or even a year or two from the time he is laid off he will have another job, perhaps a better one; but in the interval his situation is pretty grim.

Returning to what Mr. Justice Freedman was saying:

> Within the total picture, however, technology may bring about individual cases of difficulty and hardship, cases which will be multiplied if the general demand for labour is slack.

Mr. Justice Freedman went on to say this:

> But what happens when a technological change releases a factor of production called labour? Clearly it poses problems not so easily written off or disposed of. The old concept of labour as a commodity simply will not suffice; it is at once wrong and dangerous. Hence there is a responsibility upon the entrepreneur who introduces technological change to see that it is not effected at the expense of his working force. That is the human aspect of the technological challenge, and it must not be ignored.

To digress for a moment, that is precisely what labour unions have been saying, no more, no less. I do not know of a single labour organization that has opposed technological change per se. What the labour organizations have said and are saying is that workers affected must not carry the entire brunt or even the major brunt of technological change all by themselves. Then, Mr. Justice Freedman continues:

> There are responsibilities upon labour as well. Perhaps chief among them is not to use its organized strength in blind and wilful resistance to technological advances. Labour must recognize the constructive role of technology in the general welfare and economic strength of the nation. Nor should it insist upon unreasonably high rewards or excessive safeguards as the price of its acceptance of change. Stubborn opposition to measures of progress can only hurt the nation, labour not least of all.

If I may again digress, there is probably not an industry in Canada that has, since the end of World War II, seen such a sharp reduction in the total labour force as the railway industry. Not so many years ago the railway unions were negotiating for something in the neighbourhood of 125,000 workers. Today they probably negotiate on behalf of less than 80,000 workers. In other words, there has been a reduction of more than one-third in the railway labour force at a time when the railways are moving more tons of goods over more miles than ever before. So, no one can say that the railway unions have held out against technological change. What the railway unions are saying is that the ordinary worker must have a modicum of protection.

Then, Mr. Justice Freedman went on to ask whether the CNR had the right to institute the run-throughs which caused the stoppage, and he concluded that they probably did, both on the basis of residual rights and on the basis of the contract as it existed at the time. Then, he went on to say, and I think this is the question at the heart of the legislation we are dealing with today:

> Should it—

That is the CNR.

> —continue to have that right? The question here raised lies at the heart of this Inquiry. The Commission is satisfied that it must be answered only in one way. The institution of run-throughs should be a matter for negotiation. To treat it as an unfettered management prerogative will only promote unrest, undermine morale, and drive the parties farther and farther apart. In that direction lies disorder and danger.

What was Mr. Justice Freedman's recommendation in this respect? It was a very simple one. It was that where there are major changes in the work force or in working conditions brought on as a result of technological changes, the workers and their unions should have the right to bargain collectively on those changes and have the right to strike, if that is necessary. There is no member of this House who would deny the fact that a strike of railway workers, or of postal workers, or of airline employees, causes difficulties and inconvenience for the whole population. But as Mr. Justice Freedman said so well in his report, surely the workers have the right to protect their own interests, to protect their jobs. In many cases, protecting their jobs means protecting their homes and the communities in which they have lived practically all their lives. That is the crucial issue which supposedly is dealt with in this bill. Mr. Justice Freedman's recommendation was crystal clear; that workers should have the right to bargain collectively when their jobs are seriously affected by changes as a result of technological change and automation brought in by management.

• (1650)

I am sure the minister will agree that this proposal of Mr. Justice Freedman, as well as the one made last year by the former minister when introducing this bill, which would have to some extent implemented the proposals of Mr. Justice Freedman, were met with horror by most employers. They looked at this as another infringement of their God-given right to manage their businesses and plants as they always had, making the major decisions themselves. One cannot blame them for this. As long as this country has existed they have had the right to make major changes without interference from workers, without interference or real question by unions and certainly without interference by government. The employers were horrified and they made their objections clear to the government and, I am sure, to every member of parliament. I do not question their right to their point of view. I should have been amazed had they not taken that view. When this right or privilege has been held as long as the employers

have held this privilege of managing their enterprises without question, they begin to regard it as a natural right. If it appears that there is to be interference, it is no wonder we hear a tremendous outcry from the business community.

I hope the provisions of the bill as drafted and presented by the minister will not prove to be a capitulation, even in part, to what I consider to be unwarranted fears on the part of the employers of this country. I hope this bill will do those things it seems to do, and which the minister indicated it would do when he introduced it. I hope when the bill is passed, as I am sure it will be, those workers caught in the trap of management changes, unemployment, short-time work and having to move from one city to another, will have the right as federal employees covered by this legislation to bargain collectively with real power with their employers. I do not make this suggestion with any idea of stopping technological change or automation because, as I have indicated before, I do not know of a union which really believes it can stop technological change or, for that matter, one that really wants to do that. I make the suggestion because the workers have a right not to have to carry the whole burden resulting from the changes.

I do not suppose there is a city in Canada which has a higher percentage of railway workers than the city from which I come. There is not a member of parliament from the metropolitan Winnipeg area, whether an NDP, as three of us are, or a Liberal, as three other members are, who has not met people in Winnipeg who are railroad workers who have lived for 10 or 15 years in northern Ontario towns which were virtually wiped out as a result of the introduction of the diesel engine replacing the steam engine. No one questions the fact that the diesel engine is an improvement, is more efficient and economical and that the railways had to bring them forward, but what happened to the thousands of workers in these northern Ontario towns? Not only did they have to move from Kenora, Rainy River, Nakina and a host of other towns to Winnipeg, Thunder Bay or other major centres, as a result of these changes taking place, they lost their equity in their homes and they received virtually no recompense.

That is the kind of thing these people remember. That is the kind of thing the workers know about today and about which they are so concerned and upset. Unless we pass legislation to give them the right to deal fairly with their employers to blunt the brunt of this kind of dislocation, this is the kind of thing which will lead to illegal strikes, about which the public and members of parliament are equally concerned. I hope when this bill gets to the committee, where it will be discussed in detail clause by clause, the minister will make it clear that the doubts and fears I have expressed on the part of workers in Winnipeg and other cities will be allayed. I hope we will then have a bill giving that kind of protection to workers to which they are entitled in the 1970's.

Mr. Gaétan-J. Serré (Nickel Belt): Mr. Speaker, while listening to the hon. member for Winnipeg North (Mr. Orlikow), I could not help but recall that in the four years I have been in this House this is the first time I have heard an NDP member approve of a piece of our legislation. I will have to reflect on this for a while before I decide whether it is good or bad.

[Mr. Orlikow.]

Before rising to speak on this bill, I realized that one theme was predominant in my thoughts on industrial relations. That theme is the evident conflict between organized labour and management. This conflict is evidently accentuated by the common idea that employers and employees are historically situated at opposite ends of the industrial spectrum.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

[*Translation*]

The Acting Speaker (Mr. Laniel): I regret having to interrupt the hon. member, but pursuant to Standing Order 40 it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Parkdale (Mr. Haidasz)—Health—Mobilization of resources to combat cardiovascular diseases; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Health—Family planning—Possible consultation with provincial officials; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—National Defence—Rent increase for married quarters—Suggested delay until parity with Public Service achieved.

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

• (1700)

[*English*]

It is the understanding of the Chair that the House will proceed to the item Public Bills. Is it agreed?

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Jerome: It is the understanding that we would proceed to the item in the name of the hon. member for Surrey-White Rock (Mr. Mather).

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

Some hon. Members: Agreed.

PRIVATE MEMBERS' PUBLIC BILLS

CANADA BOAT SAFETY ACT

MEASURE TO REDUCE NUMBER OF CASUALTIES FROM RECREATIONAL BOATING

Mr. Barry Mather (Surrey-White Rock) moved that Bill C-14, respecting boating safety, be read the second time

and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, the bill I have the honour to bring to the attention of the House this evening is a simple one. I believe it is evident there is both a growing need and ample opportunity for action in this regard. As stated in the explanatory notes, the purpose of the bill is to promote recreational boating safety and reduce the growing number of casualties from recreational boating. The essential clauses of the bill, of which there are two, state, first:

> The Minister of Transport shall establish a Boating Safety Advisory Council composed of one officer of the public service of Canada who shall be chairman and four representatives of boating safety organizations to advise him on matters relating to recreational boating safety.

Then, secondly:

> The Governor in Council may make regulations respecting minimum safety construction standards for boats and associated equipment, and licensing and efficiency standards of pleasure boat operators.

There are two things of which hon. members I believe should be aware if they are not at present. First, there is a continued increase in the use of pleasure boats in many areas of Canada. In the province from which I come, British Columbia, there are thousands upon thousands of people who operate boats for pleasure. It is becoming in some respects as hazardous, or perhaps I should say as responsible, an activity to operate a boat on water as it is to drive a car on the highway. The same is true to a lesser or perhaps greater extent in other parts of the country. The four-day week in industry is not some far-out dream for 20 years from now. The increase in leisure time means more people in more boats and unless there is an increase in the organization of safety procedures and legislation there will be more accidents and more deaths. In the United States, there are 45 million people involved in pleasure boating. The Canadian figure runs into the millions. So, there is a growing need for improved boating safety legislation and organization. I hope hon. members can agree with me on that.

The second point with which we should be familiar is that in the Canadian Safety Council Outdoor Recreation Committee there is to some degree already in existence a boating safety advisory council. The present set-up provides that there be a representative of the ministry of transport who is to attend committee meetings of the Canadian Safety Council Outdoor Recreation Committee as an observer. In my view, this was a good step when it was taken some years ago. But times change. Traffic increases and there is need for such an agency as proposed in the bill before us with more power to protect the public. In my opinion, the public must be more intimately concerned with recreational boating safety legislation. For example, I believe we need better results then have been obtained from the resolutions submitted to the Minister of Transport back in 1965 by the then National Safety League of Canada, which is now a division of the Canada Safety Council. A letter from that body states:

> It is to be regretted that to date, that is to last winter, we understand that little or no progress has been made in discussions between federal and provincial authorities.

There is another body concerned with boating safety. It is the Allied Boating Association of Canada made up of boat manufacturers who have a certification program based on safety standards for power boat design and reliability of equipment. This group also has some contact with the government through the federal Department of Industry, Trade and Commerce, regarding certification program promotion. I do not say this with any idea of downgrading the Allied Boating Association which I believe to be a worthy body, but in a way this arrangement would be rather like turning our program for auto safety over to the car manufacturing industry, with some contact with the minister in charge of transport, or in the present case, with the minister in charge of Industry, Trade and Commerce. I think, obviously this is not enough today in Canada.

If I may, I should like to quote from an article which appeared in a number of Canadian newspapers last November. It may bring into sharper focus the goal of public safety at which I am driving or sailing. I shall quote from the article which appeared in the Lethbridge *Herald*. It reads:

> Barry Mather (NDP Surrey-White Rock) says the tipsy sailor, whether he's in a small rowboat on a lake or a large sailboat or motor vessel in coastal waters, is becoming just as much a menace as the drunken driver on the highways.
>
> It's time to put a stop to this and other abuses of boat safety, says Mr. Mather, who has just introduced his private members bill on boating safety—in Parliament.
>
> Not only would the bill lead to strong regulations on drunken sailing, but it could also establish legislation compelling people to put their boats through safety checks and to take special operators' tests to ensure that they are skillful enough to be put in control of a boat.
>
> Mr. Mather suggests it would be very similar to regulations governing motor vehicle operators now.
>
> The bill calls for Transport Minister Don Jamieson to set up a boating safety advisory council. The council would be made up of one senior civil servant and four representatives of boating safety organizations. They would advise him on what regulations are needed to promote recreational boating safety.
>
> It would establish legislation governing minimum safety construction standards for boats and associated equipment and licensing and efficiency standards of pleasure boat operators.

The article continues:

> Mr. Mather admits that there will probably be substantial opposition to his proposals. But he points out there was plenty of opposition when driver testing car safety checks and breathalyzer tests were first introduced.

In a letter from Mr. E. G. Shorter, president of the British Columbia Safety Council, the writer wishes the MP every success in this worthwhile endeavour and points out his own concern about boating safety. Again the article reads:

> Says Mr. Shorter: I consider that operating a boat requires many more skills than are needed to operate an automobile on the highway. It seems desirable that all boat operators should be subject to a test and be licenced.

• (1710)

> The council president says he has been interested in boating for many years. However, because of the lack of training and knowledge of navigation of the "multitude of boat operators" he has given up the activity.
>
> He also says that he considers alcohol just as much a problem in boating as it is in cars on the highways.

That is the end of the quotation from the article in the Lethbridge *Herald* of November 6, 1971, Mr. Speaker.

I do not expect this bill to pass but, in conclusion, Mr. Speaker, I would strongly urge hon. members to allow it or the subject matter to go to the appropriate committee of the House for further detailed consideration and, no doubt, improvement. I think the committee would be the Transport and Communications Committee.

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I have no difficulty in complimenting the hon. member for Surrey-White Rock (Mr. Mather) for proposing a bill of this type. I have listened with a great deal of interest to his remarks relating to it, and to the recreational boating industry. I suppose that the private ownership of all sizes of boats, from the dinghy to the large yacht, has become more popular than any other type of recreation, including sky-diving and some of the later developments.

All across the country, the lakes are filled with boats. Manufacturers have done a great deal of research to develop new types of boats, and the engine and outboard motor manufacturers have designed reliable engines and outboard motors. Some people like to take their boats on a trailer to the lake or river of their choice, while others who own larger boats like to leave them in one place and perhaps live on them. Boating is a big recreational industry in Canada and the United States, as well as many other parts of the world.

I certainly agree that we may not have given sufficient attention to the safety measures relating to the handling of boats, but this does not mean that we have been completely negligent. Ships are probably one of the oldest types of transportation and come in all types and sizes, such as light boats, long boats and canoes, all designed for certain specific purposes. There are many navigational systems. There is the buoy system on the open sea, where one keeps the red buoy to starboard when going toward the sea and the black one to port when coming from the sea. There are various warning devices such as the bell buoys used to direct boats. These all form part of the safety system. In later years came the channel system devised by marine operators and organizations, such as the yacht clubs, who are continually endeavouring to work out safety methods. This type of thing is going on in relation to other types of recreational activity but unquestionably boating is one of the largest recreational activities in the country today, so we should be considering some type of legislation with more teeth than any we have at present.

The Canada Shipping Act is concerned with pollution. Usually we think of pollution of the seas in connection with large freighters but a tremendous amount emanates from small boats. I refer to the spillage of gas, pumping out the bilges and normal domestic waste. These problems are coming to the attention of the authorities and a great deal of interest is being generated by the many organizations involved. There are safety regulations respecting small vessels and these are doing a reasonable job, but one facet we may have neglected is the education of boaters. Anyone can operate a boat under 65 feet in length, but over that length a master's papers are required. Anyone can apply for a licence for a smaller boat and is immediately a boater. Up to now, the people involved with sail boats have been much more cautious than those who operate with the advantage of an engine.

Another point which should be given more consideration is the relationship between the size of the boat and the power of the engine. It seems that once a young fellow gets the thrill of speeding through the water he wants to increase the power, to go faster and get even more thrills. We know what has happened with snowmobiles and the danger from powering a vehicle beyond the ability of the individual to handle it properly. This is a point that should be considered. What I am trying to say is that while this bill is a small start, it does not go nearly far enough in providing the essential safety measures.

• (1720)

The establishment of a safety advisory council, comprised of one official of the Public Service of Canada, shall be chairman, and four public representatives, so far as I am concerned is a satisfactory suggestion. However, I would point out that we have many similar types of organizations in various parts of the country. I just wonder if we have reached the stage where there are four or five people, presumably in Ottawa, who could formulate recommendations to the Governor in Council with respect to boating safety, covering all parts of the country. I suggest that we might appraise the whole safety problem relating to small boats through the use of a task force, that could recommend one piece of legislation, one statute, that would provide the necessary protection for both boat owners and the public.

We must consider the problems associated with search and rescue. We have a continually deplorable situation on the west coast with small boats venturing forth on to seas that are too heavy for them. This has led to many accidents. This has nothing to do with the safety of the boats themselves or their licensing. It may not even relate to the ability of their operators. But it is a fact that when gale warnings have been hoisted, boat operators just do not pay attention to them. Only a week ago we had a very sad accident off Vancouver Island. We should consider providing a penalty for people who venture forth on to high seas after gale warnings have been hoisted.

We must also consider smaller lakes in inland areas where water skiing takes place. Here, there is a danger to swimmers. Municipalities are searching for methods to restrict the possibility of negligence on the part of those people who engage in this sort of recreation. In light of these facts, Mr. Speaker, we certainly need the type of legislation suggested in Bill C-14, but I have difficulty in giving this bill my full support on the basis that it would be sufficient to do the job.

We must realize that various regions of the country will require different types of laws and regulations. To the average person this may seem rather ridiculous, but if one talks to yachting enthusiasts one finds that those who engage in the recreation in Ontario are unable to talk the same language in respect to boat handling as is spoken by those who sail in salt water areas. We must also consider the law of the sea. We should not pass legislation covering small boats that could conflict with the law of the sea.

Another factor that must be considered is the horsepower of the engine used in relation to the type of boat. I find

it difficult to believe that this bill would be adequate to cover all these matters. I am concerned that we would be establishing another type of bureaucracy without giving sufficient attention to the whole problem that exists right across the country.

The ministry of transport already has relationships with certain water safety and boating organizations. I know that submissions are being prepared by various yacht clubs. From speaking to these people, I know that they want a minimum of government interference. The Allied Boating Association of Canada, as mentioned by the previous speaker, is an organization of boat builders. Already the ministry assists in the annual testing of new models of pleasure craft, and is also assisting in the formulation of construction standards. These tests form the basis of the calculations from which the recommended maximum load and the horsepower of the engine for each model are obtained.

The Canadian Power Squadrons is an association of yacht clubs which gives correspondence courses and lectures on boat handling, navigation and safety. The ministry vets new and amended examination papers for accuracy. This is an important area where we could certainly lend some assistance. We should help the yachting associations in various areas to run schools where people who own boats could go for some education.

• (1730)

Of course, the Canada Safety Council receives a grant to sponsor boating safety week. This is a very worth-while cause but I do not think the program is sufficient. What the council does cannot be compared with what could be done if a reasonable grant were given to the various yachting associations across the country. Also, Mr. Speaker, there is the Canadian government specifications board, a government body which develops standards with the help of expert committees. One such committee in which DOT is the moving spirit is the life-jacket committee upon which many boating organizations are represented. The Canadian Red Cross, as we all know, has for many years—and I am sure it will continue this work—attempted to teach in every way possible—not only boating safety—but safety in water.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but I must advise him that his time has expired.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, first may I take this opportunity of congratulating the hon. member for Surrey-White Rock (Mr. Mather) for again bringing this matter before the House. I say "again" because this type of project was my first project in the House back in 1954 or 1955. I have had the pleasure of bringing it forward on a number of occasions since that time. I am very pleased that the hon. member for Surrey-White Rock is pursuing this matter further, because conditions have changed greatly in the coastal waters, Great Lakes and other waters of Canada since I first raised the question.

I think it is necessary to make many more improvements in the regulations. I find it difficult to understand why the previous speaker objects to sending this bill to committee for study, because the very points he raised and the questions he asked could well be investigated and dealt with in committee.

Over the years there have been a number of improvements to the regulations. One always likes to think that one's own efforts are responsible, although I do not flatter myself in that regard. However, after the matter was first raised back in the early 1950s the minister of transport in the St. Laurent government, Mr. Marler, made a number of amendments to the Canada Shipping Act. A booklet was produced at that time, a copy of which I have, entitled "Safety Afloat". It set out a great many safety regulations and other matters and greatly increased safety on the navigable waters of Canada.

After Mr. Marler the minister of transport was the hon. member for Prince Edward-Hastings (Mr. Hees). He made more changes in the law and brought in improved safety measures, navigational measures, and so on. Since the hon. member for Prince Edward-Hastings ceased to be minister of transport I do not think many changes have been made in this area, although from time to time amendments have been made to the regulations under the Canada Shipping Act. For example, it is now required that life preservers be supplied and worn in boats and certain firefighting equipment is now essential. Those two instances are an example of some of the improvements in safety regulations applying to small boats.

There is one matter I have been curious about. When the hon. member for Prince Edward-Hastings was minister he arranged for two ships to be constructed for operation on the Great Lakes. They were to be equipped with helicopters and were to be used for search and rescue purposes. I do not know what has happened to those boats since then. One of them may still be in operation on Lake Huron. Perhaps someone on the government side could provide us with information in this regard.

I have already said that despite the many improvements in safety regulations for small boats since 1955 conditions have changed greatly. There has been an enormous increase in the number of small boats not only in our coastal waters but on the Great Lakes. It is with the Great Lakes and connecting waters that I have been concerned in my observations and speeches in this regard over a number of years. It must be self-evident, Mr. Speaker, that in the Great Lakes area, particularly of Ontario and Quebec, and the adjacent waters you will find the largest percentage of the population of Canada. I am speaking not only of the Great Lakes and adjoining waters but of waters in Ontario such as the Muskoka lakes, the Lake Saint Louis area near Montreal and many similar waters. On these there are a great many small boats of all sizes and shapes and all sorts of power.

The summer months are almost here and we will not have the safety regulations and the search and rescue operations that are very necessary. There will be delays in this area. Although I have not had time to check, it seems to me that either in the previous Criminal Code amendments or in those now proposed there is a provision that the careless driving of a speed boat constitutes an offence. For that I commend the government. It is not often I commend the government, but in this case I do. I also commend the hon. member for Surrey-White Rock for

bringing forward for discussion a subject that is very important.

There are other steps that I think might be taken in this area and I will offer a few suggestions for further, immediate improvement to the Canada Shipping Act. I do so now because I am sure that if this bill is sent to committee for study, by the time the study is finished another summer will have gone and more lives will have been needlessly lost. I think that regulations should be added to the Canada Shipping Act to make sure that life saving equipment such as life-preservers and firefighting devices are carried on boats. I think, in particular, that life saving devices should be compulsory in boats even as small as rowing boats, canoes and the like.

Certainly there is constitutional authority for this to be done under the Navigable Waters Protection Act. As I recall it, in a discussion two or three years ago a navigable water was described as any body of water, however small, that would float a canoe. That is one improvement that could certainly be made. Another is that operators of power boats of ten horsepower and up should be obliged to undergo an examination and qualify for a licence. There should also be age restrictions regarding the operation of power boats. I also think that on larger bodies of water, which could easily be defined under the regulations to include waters such as the Great Lakes and other inland waters such as the Muskoka lakes, boats of any size should be required to carry flares and other warning devices.

There is another matter, in conclusion, that I think might be helpful. It may be a little too late to do it this year, but better late than never. I am referring to search and rescue operations. I have already said that on the Great Lakes and other inland waters of Canada, not to mention our coastal waters, there are a great many power boats of all shapes and sizes during the summer months which extend from about May, in Ontario and Quebec, until October or even November when the duck shooting season is on. The number of small boats in the area of the Great Lakes is enormous. There are hundreds of thousands of them, and often when an accident takes place it is difficult to inform the organization concerned. In these cases time is of the essence and some way must be found to get word to the proper rescue organization.

At present, Mr. Speaker, we know that the Canadian Air Force provides assistance in search and rescue. In Ontario and in Quebec the provincial police help. As well, various boat clubs, power squadrons and the like perform these operations. If an accident takes place in some of the larger areas, somebody phones the police and there is a certain amount of co-ordination in rescue activities. In any resort areas of Ontario and Quebec, as well as in many other areas, there is no great problem in this regard because you can usually call someone. However, if something happens in one of the smaller places no one seems to know who should be contacted.

In other words, what is wanted is a co-ordinating authority with whom one can get in touch immediately and who can act perhaps in concert with a search and rescue operation whether of the air force, the provincial police, a power squadron—the power squadrons have their names listed—or other appropriate agency. It seems to me that it would be very useful if the government were to employ university students to do this work. Goodness knows, there have been enough complaints in the country about lack of employment for university students. This would be a seasonal job and a two or three-week course would be adequate.

• (1740)

A large number of university students could be provided with a useful occupation. In addition to acting as co-ordinators they could supply information to agents who perform search and rescue work. They could provide meteorological information and put out storm warnings. In very congested areas near large cities they could be supplied with duty boats to constantly patrol beaches in areas near Toronto, Hamilton, parts of Lake Erie and parts of the St. Lawrence River in the Montreal area. Student operators or co-ordinators might be given certain powers with which to prevent small boats going out in very stormy weather or when a storm is impending. They could also be given the power to regulate speeders. They could impose fines on speeders and other motor boat smart alecks who endanger swimmers, children and others.

These are some of the things students could be doing. They would be healthfully and usefully employed, instead of working on projects such as those under the Opportunities for Youth program and the Local Incentives Program, sometimes known as LIP, which are given large sums of money to carry out some rather questionable projects. This type of project would be a very useful method of providing summer employment for a large number of students and could save many lives.

I hope these suggestions will be looked into by the appropriate agencies of the government and that the bill will be sent to committee where these points can be reiterated and commented upon by myself and other supporters of the legislation.

[*Translation*]

Mr. Ovide Laflamme (Montmorency): Mr. Speaker, I should like to add a few words to the remarks the hon. members for Oxford (Mr. Nesbitt) and Fraser Valley East (Mr. Pringle) have just made in reply to the proposal of the hon. member for Surrey-White Rock (Mr. Mather).

Mr. Speaker, the sponsor of the bill before the House has suggested that we should be able to set up a Boating Safety Advisory Council. This council would be composed of one officer of the public service who would be chairman, and four representatives of boating safety organizations who would advise him on matters relating to recreational boating safety.

The hon. member for Fraser Valley East mentioned the fact that the Canada Shipping Act already contains provisions that should dispel the fears expressed by the hon. member for Surrey-White Rock.

In fact, clause 7 of the Canada Shipping Act essentially imposes the obligation of registering any boat or yachtes of 10 HP or more; this means that, generally, all those boats are registered.

Once those pleasure boats are registered, their owners are given the guide on boating security that is published

and liberally distributed to the interested parties by the federal Department of Transport and in which indications and general rules are given on navigation wherever those small boats may navigate.

In addition, with regard to small boats, their builders will inevitably do what is necessary to ensure their safety if they want to keep a market for their production.

The previous speaker, the hon. member for Oxford, has given us, in my opinion, a true picture of the problems which we have to face when he mentioned that people may, under our navigation legislation, have their boats registered without having an adequate knowledge of the general navigation regulations.

The problem about clause 3, as suggested by the hon. member, is as follows: permits should obviously be issued. I understand my colleague suggesting that permits be required to operate those boats, but then the efficiency of a federal jurisdiction would be questioned with respect to all the pleasure boats which do not operate in Canadian navigable waters, that is which operate only up and down rivers and lakes which in effect come under provincial jurisdiction.

Basically, this proposal reflects the explicit concern caused by the ever increasing risks involved, more specifically in Canadian navigable waters, particularly in areas where pilotage is mandatory.

I know that in my own region, on the St. Lawrence river in the province of Quebec there is a proliferation of pleasure boats being operated and it sometimes really seems that some operators have acquired no prior notions as to security in the operating of these vessels.

This could be achieved within the framework of a well-timed campaign, fully supported by the Department of Transport, arranging for more courses or lessons being offered in navigation in the country's navigable waters and more specifically stressing consequences related to the operation of a pleasure boat, load distribution, reaction on the water, weather forecasts, in short, many elementary details of which not only the owners of pleasure craft, but the population as a whole should be aware. Actually, it often happens, in areas where yachting is practiced, that the operator does not always have the foresight or the time to explain to those on board such vessels—perhaps for the first time—the elementary standards or general rules of navigation.

I believe that such generalized publicity and the teaching in schools of elementary notions can really allay whatever concern the hon. member may now feel as to the risks involved in navigation.

Careful study of the safety guide to boating published by the federal Department of Transport would of course impart all the really necessary data to ensure boating safety.

• (1750)

Of course, I do not really think that at the research level in this field the establishment of an advisory committee could permit a wider distribution of information at present, or prevent pleasure craft accidents, because these are generally caused by negligence or lack of knowledge.

I think that these accidents may quite easily be prevented given a wider distribution of information concerning general standards, the operation of a pleasure boat, and navigation in general.

Mr. Speaker, I do not feel that we should dwelve too long on pleasure crafts with adequate equipment. Today, high-powered yachts operate on major waterways and on the Great Lakes. Their equipment is just about as up-to-date as that of ships providing transoceanic transportation or cruising on all the major waterways of the world.

But I am thinking of the small pleasure crafts that we see almost everywhere, which are readily available, and often enough belong to people who know little about navigation. In my view, those are the boats which may create real problems for navigation, especially when cruising in navigable waters.

There again, I do not see how the federal government could extend its jurisdiction to boating in navigable waters. On the other hand, if the owner operates in navigable waters, the Canada Shipping Act compels him to register and, at the same time, if his boat is registered, the owner has access to all essential information relating to boating in order to prevent any accident liable to endanger the lives of the owner or the passengers.

But one of the essential points to which the attention of the House was particulary drawn is the problem of pollution caused by recreational boating. When one considers, for instance, that in the St. Lawrence, the volume of maritime freight is ever increasing, there is every reason to worry about the movements of some pleasure boats that keep too close to ocean liners or ships coming from the Great Lakes.

There is need for closer supervision in this connection, I think, because even small recreational boats can cause serious maritime disasters.

On this point, Mr. Speaker, I think there should be more patrolling in order to deal with those who disobey the elementary rules of navigation.

But I do not believe yet that the proposal made by the hon. member for Surrey-White Rock concerning the establishment of an advisory council could make the existing statutes more efficient. As a matter of fact, when we read the legislation on Canadian navigation, particularly as regards small boats, we find almost everything there. However, it is enough to ensure that the legislation is well enforced and to see that those who break the law lose their boating licence or are subjected to a fine.

Far from me, Mr. Speaker, the idea of wanting to minimize the importance of the problem raised by the hon. member for Surrey-White Rock, because I agree with him that there are increasingly more people who are cruising in our waters for pleasure. Obviously, we should put more emphasis on publicity and information directed to the young people. As a matter of fact, the provincial education departments have done a lot of good work in this area. We should seriously consider giving young people boating courses similar to the present car driving courses. By simply providing basic information, we would effectively tackle the causes of accidents.

In concluding my remarks, I would say, as the hon. member for Fraser Valley East has pointed out, that there

is already a considerable number of associations and yacht clubs. The Allied Boating Association of Canada, the Canadian Power Squadrons and the Boating Safety Council of Canada co-operate to insure better knowledge of navigational hazards.

I acknowledge that the idea behind the hon member's bill is sensible and might attract public attention to the matter of greater safety. Indeed, the questions that are raised would be more appropriately served at the provincial level, particularly in the field of education, and in view of the circumstances, this bill should not be passed since its provisions seem to indicate a lack of effectiveness.

A similar bill has already been tabled in this House. I think the hon. member has again taken advantage of private members' hour to raise a question which should attract the general interest of the public and its attention regarding the serious consequences of the growing popularity of boating. In view of the circumstances and considering all these facts, this bill should be referred to the Standing committee on Transport and Communications.

The Deputy Speaker (Mr. Honey): Order. The hour appointed for the consideration of private members' business has expired. I do now leave the Chair until 8 o'clock p.m.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADA LABOUR CODE

AMENDMENTS RESPECTING INDUSTRIAL RELATIONS, LABOUR RELATIONS BOARD, INDUSTRIAL INQUIRY COMMISSIONS AND CONCILIATION BOARDS

The House resumed consideration of the motion of Mr. O'Connell that Bill C-183, to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Gaétan J. Serré (Nickel Belt): Mr. Speaker, before private members' hour I had risen to speak on Bill C-183 and I was saying that I realized one theme predominated my thoughts on industrial relations. That theme is the evident conflict between organized labour and management. This conflict is evidently accentuated by the common idea that employers and employees are historically situated at the opposite ends of the spectrum of interests. This diametric opposition could have no other result than an upsurge in the wave of labour unrest and strikes which we witnessed in the mid-sixties and are witnessing now.

[Mr. Laflamme.]

As a representative of an industrial area which prides itself on its strong labour tradition, I hasten to endorse the spirit and content of Bill C-183. In parenthesis may I say that the miners of the Sudbury nickel basin were undoubtedly the first to organize in labour unions. Many of my constituents remember the first years of the labour movement's activities. The two major unions involved in the nickel industry, United Steelworkers of America and the Mine, Mill and Smelter Workers, represent over 22,000 working men. I would venture to say that some 80 per cent of our work force is represented at the bargaining table by trade unions.

The basin's entire population is conscious of labour-management relations. All are affected by labour disputes, strikes, walkouts or lockouts. It is on that basis that any legislation which improves labour-management relations benefits the nickel basin residents in every walk of life. Both labour and management will profit by these amendments.

Although the labour code as such has not been revised since 1948, the Canadian population and labourers were well protected. It is in the light of our twentieth century economic structure and growth that amendments such as those proposed by this government have become essential. Bill C-253, which was introduced in the Commons last June, 1971, incorporated a substantial number of amendments intended to update the existing legislation. As a result of a great number of representations from both labour unions and management, the present bill contains further revisions which are much more acceptable to both management and labour.

For the record, I would like to go over some of the major modifications introduced in that bill. They involve clarification and recasting of certain sections dealing with technological change, withdrawal of the section that would have restricted an employee's right to picket, and amendment to the section dealing with an employee's voluntary revocable check-off. Also, major amendments were made to the sections dealing with technological change, making it more acceptable and workable to both parties. I must say that this section interests me the most and is of very great interest also to the mining people and railroaders of my area whose lives are being more and more affected as a result of automation and technological change.

Also for the record, I would like to remind everyone that in reference to the section on technological change this bill includes provisions which require an employer to whom the technological change provisions apply to give the bargaining agents concerned 90 days notice of such change where the change affects a significant number of employees. In defined circumstances an agent would be empowered, during the term of an agreement, to negotiate provisions designed to assist employees in adjusting to the effects of technological change, with the ultimate right to strike in the event an agreement could not be reached.

In order to exercise this power the union would have to obtain from the board leave to serve notice to bargain. The board would be authorized to grant such leave only if it were satisfied that the change in question was likely to have substantial and adverse effects on the conditions or

security of employment of a significant number of employees.

• (2010)

It is unfortunate, indeed, that Bill C-183 is limited to Crown corporations or employees of the federal government. It is evident that this government is again giving proof of its foresight. If such legislation were in existence at the provincial level, the hardworking miners of the International Nickel Company and Falconbridge Nickel Mines would receive fair warning that technological changes in the mining industry would demand massive layoffs. As a result of the layoff that recently took place in Sudbury, young men and older people, some with young families, now find themselves in the ranks of the unemployed. Without warning they have been forced to seek work in other fields. Many of these workers had left other provinces to become good citizens of our area.

Mining operations are becoming more and more automated and we can expect that a greater number of employees will be either demoted, displaced or laid off in the very near future. I certainly hope that the provincial governments, under whose jurisdiction mining companies fall, will follow suit and introduce legislation very soon. Negotiations for a new contract are presently under way in Sudbury. I hope that the company will adopt similar provisions to those we find in Bill C-183 concerning technological change, even though the present provincial legislation does not require them to do so. This would certainly reduce the great anxiety which now exists among the workers and would help create a better climate of confidence by ensuring economic security in our area.

While I am on the subject of negotiations taking place in Sudbury at the moment, may I be permitted to mention that I fully endorse the request by the union, in particular, that employees be permitted to go on pension after 30 years' service. I feel that an employee in the mining industry, which is so detrimental to the health of its workers, should have the option to retire at least after 30 years' or perhaps after 25 years' service. Such an employee who has worked hard all his life could enjoy a little leisure time while his health still allowed him to do so. He could also find some type of light duty work which would allow him to live a more decent life. This would also leave more room for our younger generation which is now seeking employment. Therefore, I am very much behind an early retirement for the workers of the mines and would strongly urge the company to accept such a request.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Serré: I see I have the approval of my friend, the hon. member for Winnipeg North Centre (Mr. Knowles). These new amendments to the labour code affect directly the employees of Canadian National Railways in my area. As a result of automation, most of the population of Nakina in northern Ontario who were employed directly or indirectly by the CNR were forced to vacate an area in which they had been lifelong residents. This unfortunate situation which took place at Nakina a few years ago played a major role in bringing about revisions to the labour code in respect of technological change. Just last year many office employees who had settled in Capreol were forced to move to Toronto as a result of centralization or automation. This decision was taken unilaterally by CNR management without prior consultation with the employees involved or prior notice to the community. This legislation will prevent such displacement without first conducting proper negotiations and will have the effect of bringing about a more satisfactory solution for all parties concerned.

I feel that this new labour code is long overdue and eagerly awaited by the workers of this country. The provisions dealing with technological change introduced by an employer during the life of a collective agreement is most innovative and important. When the former minister of labour was replaced by the present minister it was immediately speculated that the switch meant the government had given in to big business and manufacturers pressure to kill the controversial clause. Employers hoped that is what had happened and employees feared that it had happened. I am pleased to see that our new and able Minister of Labour (Mr. O'Connell) has kept that clause in the bill, but with a limited right to strike, making it more workable and acceptable to management and labour. At the same time, the right of management to increase efficiency through technological change will be protected by the new code just as much as job security and the continuation of pay cheques for workers affected by such change.

This is sound legislation and it is becoming better understood by chambers of commerce across the country as well as management and unions. I support it because I feel it will give more security to the workers and more stability to the economic and social life of the community, especially communities such as Sudbury in which the workers depend on one major industry for their living.

[*Translation*]

Mr. Speaker, the age of technology is disquieting for many workers. This bill will give more protection and ease labour-management relations.

That is the reason why I highly commend the Minister of Labour for having so brilliantly introduced this new Labour Code.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, in rising to speak on Bill C-183 I find it very difficult to be as enthusiastic as the hon. member for Nickel Belt (Mr. Serré). However, to be fair, I think the bill does represent some improvement over its predecessor. I only wish the new minister had moved a bit further to correct some of the errors and weaknesses which remain untouched. However, in general the bill does represent a constructive improvement. I should say that in addition to its omissions, it is weak and does not really do anything in so far as giving us hope that the incidence of strikes and lockouts will be decreased and their effects on the public diminished.

I think another area of weakness is that the bill does not take advantage of many of the reforms suggested in the Woods report of 1968. The greatest weakness of the bill lies in the fact that only about 530,000 workers in Canada will be affected by it; that is to say, it is limited to industries which fall under federal jurisdiction. When one con-

siders that we are dealing with only 530,000 out of 2.1 million people who belong to labour unions, it is evident that we are actually missing out on the 4.5 million workers who do not belong to labour unions. I think this is a very important point.

• (2020)

Certainly, in regard to the danger inherent in strikes which we face at the present time, the bill does nothing to affect the collective bargaining of federal public servants such as air controllers or the CBC NABET members who are covered by the Public Service Staff Relations Act. So I am concerned about this, because really we are not dealing with a bill that is as comprehensive as it is said to be. I think it is intolerable that in Canada we still suffer many strikes and a tremendous loss of man-days year by year. It is interesting to note that in 1970, the last year for which complete statistics are available, we had 542 strikes with a loss of more than 6,539,560 man-workdays. While this represented a slight decrease from the previous year, the fact remains that the strike situation and loss of man-workdays has been increasing at a very rapid rate.

In 1950 there were 160 strikes and lockouts with a loss of 1,387,500 man-workdays. In 1960 there were 274 strikes or lockouts with a loss of considerably less work days, 738,-700. In 1970 there was the tremendous loss to the economy of 6,539,560 man-workdays. I do not think the economy can stand to lose the tremendous amount of dollars and value that this represents. There ought to be a better way to settle contracts between labour and management. I think the machinery or methods represented in these statistics belong to an age which should have passed a long time ago.

I only wish this bill would go much further to settle some of these problems. I wish it would bring in something new that would really give some hope to both management and labour, not to mention the third party, the public, who suffers and has to pay most of the bills. Surely there ought to be a better way. While tonight it is not my purpose to enlarge on this aspect of the bill, herein I believe is the major weakness in our whole labour structure so far as collective bargaining is concerned. When labour leaders such as George Meany talk out on this very thing perhaps it is an indication that organized labour itself is beginning to understand that the present approach is not the answer. So far as I can see, this is not the situation in Canada, whether on the labour-union side or on the government side.

I think there are a few basic points we should remind ourselves of in dealing with a bill such as this. We must remember we live in a pluralistic society which allows for the expression of more than one ultimate life principle. In our country we are raised from birth in the tradition that it is right and proper for people to march to the sound of different drums, compelled by their respective convictions honestly arrived at. Indeed, the notion that harmony need not be imperilled by diversity is one of the objectives of the Canadian experience. This very principle ought to be more evident in the organized labour situation as we see it today. The tradition is accepted in the areas of politics, education, church affiliation and virtually all other areas of activity, and I can see no reason why the objectives should be different when men and women go to work.

The freedom to work, the freedom of association and the freedom to support the political party of one's choice are of more enduring importance to Canada than a particular set of labour relations statutes or a code of labour relations such as we have in this bill. All freedoms must be viewed in the context of the civil right to freedom of worship which embraces both the right to hold religious convictions and the right to translate those convictions into the fabric of everyday life in the factory or wherever the place of work might be.

In a free society men should not be forced to accept uniform patterns of life and organization. There ought to be a real opportunity provided so that men can freely form those organizations and institutions which give expression to their legitimate aspirations. This does not mean that our society should be divided into unrelated fragments. In diversity, a generous amount of co-operation is possible provided an attitude of true respect and good will is present. If this is true in the very basis of the political structure of the country, why does it not apply also in the area of work?

It seems to me that the Bill of Rights of Canada and the Declaration of Human Rights of the United Nations define very clearly that the right to work is one of the basic freedoms of people. The right of association and freedom of association is equally one of the basic freedoms fundamental to our way of life. If freedom of association is a fundamental part of our way of life, then surely freedom to disassociate should also be part of our way of life. It seems to me this bill does nothing to even begin to approach the problem of which I am speaking. I regret that we have not gone further in this regard.

Actually, what is happening today is that we are pitting labour and management against each other. It is the adversary system that is wrong in trying to meet the problem of labour relations. There ought to be a genuinely co-operative area in which the evil spirit of economic conflict will not be the basic reality which exists, as it does today. If we go along in the system and attitude expressed in this bill, management and unions will continue to be deadlocked in bitter disputes which are but the logical result of the tense, warlike atmosphere in which many contract talks are conducted. No one wants to give. Everybody wants to take. It is like a tug-of-war where the strongest wins and the winner takes all.

• (2030)

I say that this bill could meet the problem more realistically than it does. For a variety of reasons, I think in this debate we should be considering whether the present collective bargaining system based on the individualistic employer by employer, trade by trade majority rule concept, including the right to strike and lockout, can cope with the new problems thrust upon the work force, and whether the capitalist-oriented employers organizations and politically-oriented trade unions even try to rise to the challenge of finding a substitute for what the royal commission headed by Ivan C. Rand rightly branded "the crudely developed bargaining, conciliation and strike ritual."

I think the House and the committee which will study this bill would be well advised to look at the collective bargaining system in depth, especially in relation to the alienating effects of today's work situation, and to recommend that the government and all who are responsible for the just development of societal life tackle this mammoth task before we are faced with either a workers' revolt that will make a shambles of our present, wholly inadequate collective bargaining schemes, or the public is forced to take action against this situation in a way that none of us want. I sense that public opinion will not stand for what is going on or for the palliative type of methods that we are trying to express in this bill.

Some hon. Members: Hear, hear!

Mr. Thompson: I do not think that a man's daily work should be considered a mere economic necessity or a commodity like wheat or steel, to be sold to the highest bidder in the marketplace. I believe that work is an integral part of a man's lifelong mission to develop and create. Both organized labour and the efficiency experts should stop repudiating these basic principles which belong as a right to every individual, and they include his right to choose his work. I think it should be recognized that the workers ought to be consulted and should have qualified representation which will have a real, co-deciding voice in regard to the system of work.

I am convinced, Mr. Speaker, that there are certain basic rights which belong to the union worker but which he is not being given today. I think the worker should insist that the machine be tailored to meet the needs of man, instead of our system trying to fit the man to meet the needs of the machine. That is what is happening today. We in this House should demand that something fundamental be done as far as correcting the situation in the whole collective bargaining system. I think it is wrong that labour should be forcing the workingman to be cut to fit the bed instead of the bed being designed to fit the man. They should not just benefit the few but should be universal in application, because when they are not they are repressive and cease to be just. It seems to me that the government has a long road to travel before it can say that Canada is truly a place in which to stand, to choose and to work in freedom.

I think this principle is vital as far as bargaining rights are concerned. Let us go back briefly to the Woods task force report which says at pages 138 to 140 that the bill extends collective bargaining rights to professional employees who do not perform management functions or are employed in a confidential capacity in matters relating to industrial relations. Section 125(4) states that the Canada Labour Relations Board may decide to include in a bargaining unit employees "whose duties include the supervision of other employees." While the extension of bargaining rights to groups previously exempted as supervisory and junior managerial employees has been generally well received, and while there will be wide discretion on the part of the Canada Labour Relations Board, this bill does not improve the definitions that were criticized in its predecessor, Bill C-253.

The government should attempt to sharpen such potentially ambiguous and contradictory definitions such as those contained in section 125(4) which allow collective bargaining for "employees whose duties include the supervision of other employees" and section 107(1)(b) which excludes a person "who performs management functions or is employed in a confidential capacity in matters relating to industrial relations".

One suggestion of the Ontario Relations Institute regarding professional employees has been included in this bill. It allows the CLRB to establish separate collective bargaining units for professional employees. I suppose there has been improvement on some of these points, but we are still just scraping the surface and not getting down to the problem with which we pretend to deal.

Now we come to the closed shop question. The Woods report, at page 149, urges that in a unit for which a union is the bargaining agent a member must pay the regular and reasonable dues of the union, whether he takes out membership or not, as an "agency fee". This is widely known as an agency shop and is recognized in the bill. What I am concerned about, Mr. Speaker, is a person who does not meet the requirement to belong to a labour union. To say that a person does not have the right to work because he does not carry a certain membership card is to deny that person a right that belongs to him.

Some hon. Members: Hear, hear!

Mr. Thompson: I am thinking particularly of a nurse who for personal reasons refused to become a member of a union. She was employed in a hospital in St. Catharines and was forced to give up her job because she did not carry a union card. Where is the right or freedom to work for this young woman that is so carefully outlined in both the Bill of Rights and the Declaration of Human Rights? This troubles me.

This bill goes beyond what was recommended in the Woods report and provides for legal acceptance of the closed shop principle which is regarded as increasingly indefensible in the Woods report and has been actively criticized by the Prime Minister (Mr. Trudeau). Section 161 expressly states that collective agreements may contain an agreement requiring, as a condition of employment, membership in a specified trade union or preference of employment to members of a specified trade union. This section, along with section 125(3), creates the possibility of the very kind of closed shop which the Prime Minister has been urging the provinces to move against. Therefore, it is inconsistent with that which the Prime Minister has been advocating in his speeches.

This bill will allow professional employees—doctors, lawyers, engineers, scientists, accountants, etc.—to establish separate bargaining units and to exclude from employment other professionals who are not members of their union. The government is therefore inviting the kind of uneconomic and unjust employment restriction that is far too prevalent at the provincial level. Taxpayers and university graduates need fewer, not more, impediments to employment.

Some hon. Members: Hear, hear!

Mr. Thompson: While no action has been taken by the federal government or provincial governments to roll

back the present legal support for closed shops or to act on the recommendations of the Woods report—I refer to page 150—that where hiring halls operate in industries as the effective means to employment in those industries they should be operated by the Canada Manpower service with the assistance of employers and unions through a joint labour-management committee, at least section 161 of this bill should be removed.

Mr. Speaker, unless we face up to some of these problems I am afraid that organized labour, management and government that condones this kind of practice will find themselves in a situation which may bring about a change which they will not be happy to accept as an alternative.

In the United States a poll was taken recently and the result was announced on Labour Day, 1971. It was conducted by the Opinion Research Corporation of Princeton, New Jersey, and it clearly showed that a right to work law is favoured by the American public by a two-to-one margin, including a majority of union members' families. The situation is not really different here in Canada.

• (2040)

What is happening as a result of this situation? The country is being put into an economic straitjacket. It could be that the fault lies not with the labour union leaders but with the imbalance of the law that makes the abuse of union power inevitable and the suppression of that abuse by government also inevitable. This is what I am concerned about. Where are we going? The answer is pretty plain. Unions have priced more and more Canadian goods out of international trade, and having made foreign imports economically acceptable are beginning to argue for the necessity of higher protective tariffs and quotas in order to give the uneconomic the necessary assistance. The consumer will not accept this situation indefinitely.

This is what is happening throughout the country today. Wage and price controls are being demanded all across the country, to the extent that I believe if a poll were taken today the majority of the people would express a view in favour of such controls. If this comes to pass it is the end of the free market and of free wage negotiations, the very things we want to preserve but which we do not really have today.

What is the cure? I do not think any organization, union or otherwise, has the right to believe it has the power to compel a worker to join a union he may not want to join in order to hold down a job. This is one of the weaknesses of this bill: it does not deal with that matter.

A short time ago I was surprised to read a report from David Archer, president of the Ontario Federation of Labour, who agrees with this contention of mine but who laments the fact that the government of Ontario does not permit agricultural and other workers to bargain collectively. He thinks it is nonsense to deny that right to any worker and contends, I think rightly so, that the proposed changes in the labour code should guarantee the right of all workers to organize in unions of their choice. I might add that these views of his were reported in "Voice of the People" of July 2 as follows:

> However, until we replace the adversary system by a radically different, genuinely co-operative arrangement, the evil notion of class hatred and conflict will continue to be a reality. Management and union will continue to be deadlocked in bitter disputes that are but the logical result of the tense, warlike atmosphere in which many contract talks are conducted. No one wants to give; everyone wants to take.

There is one exception that I would like to draw to the attention of hon. members. I think it is worth noting. It relates to the recent agreement between the International Longshoremen's Association and the Maritime Employers Association, which produced some startling concessions by union and management. The union agreed to end featherbedding that forced management to use 16 men for jobs which sometimes could be handled by eight men. Management agreed to job security and to provide nearly $4.5 million in pension funds over the life of the three-year contract. Without going into further details of this agreement, I point out that it is significant that it was arrived at quietly, in a setting that is not typical of most of the bargaining processes. Here management and union worked for the benefit of both. They did it in an atmosphere of harmony and co-operation. This bill should provide for that kind of framework and regulations should encourage this type of approach.

This has not been the pattern in the past. The decades of grinding struggle have left their mark on both labour and management. What has happened is that the trenches have been dug very deeply. We find ourselves locked in a seemingly inevitable struggle for power or counterpower. This is survival of the fittest, and it is this concept about which I am concerned.

There is just one other aspect that I would like to mention in regard to the bill. It concerns the Canada Labour Relations Board. I think it is a good thing that this board will no longer be made up of certain individuals who represent specified organizations. This is a step forward. But I believe the bill should be amended to ensure that the representative nature of the board be guaranteed by providing realistic consultative and advisory roles for labour and management in the appointment of some of its members.

It is true that several liberalizing suggestions of the Woods task force have been introduced, such as the secret ballot. The bill also includes provision to recognize bargaining rights acquired by voluntary recognition. Nevertheless, in spite of some of these positive aspects, which also include the provision that a certification ballot include the provision for no union, I believe that in relation to unfair practices the bill should have been further strengthened. Here again, the Woods report made positive recommendations on the civil rights of workers, such as the legislative guarantee of the right of union members to audited statements of union financial affairs.

Furthermore, while the bill does provide for complaints on a range of matters to be made to the CLRB, the limitation of the hearing of such complaints is unreasonable and would seriously discourage many legitimate complaints being made. Clause 187 (3) should be amended at least to read "within two months." There is no reason why a person should have to wait six months to receive justice from his union. Why should there be that kind of delay?

An editorial in the *Globe and Mail* of April 4 covers the last point that I wish to make regarding the technological change provisions. I quote:

> The new bill establishes three circumstances involving technological change in which the bargaining process with its ultimate possibility of strike or lockout may not be employed.
>
> First, where the employer has given notice in writing of the proposed change during the open period (at least 90 days) which precedes each new set of negotiations. Here it will be presumed that the technological change, like any other change proposed by either employer or union, can be bargained at the usual negotiating table, with the usual give and take.
>
> Second, where the collective agreement already sets out procedures by which the effects of a technological change may be negotiated and settled—usually by binding arbitration.
>
> Third, where provisions are contained in the collective agreement to assist employees affected by technological change, and it is specified—something some unions may be reluctant to do—that the extraordinary procedures for between-normal-bargaining negotiations do not apply.

These changes have two obvious advantages over the previous bill prepared by the former minister of manpower. Again I quote:

> They relieve that part of industry which has conscientiously tried to agree with labour on the proper approach to technological change from the insecurity of not knowing if it may be hit again in the middle of a contract. They will encourage industries to enter into negotiations with unions on the subject—because if they don't do it willingly they may find themselves doing it unwillingly, in unnecessary mid-term negotiations.

This is one area where the bill has been improved. However, in my opinion it must be kept in mind that the technological change provisions must be criticized and assessed in regard to their being a remedy to the problem. The problem is simply this: How do we encourage technological change so that Canadian industries can compete with foreign industries in domestic and foreign markets and, at the same time, minimize the adverse effect of such changes upon members of the Canadian labour force and, as well, protect the public interest and carry out our public responsibility?

• (2050)

The present urgency in seeking a solution to this problem is twofold. The kinds of technological change Canada has experienced in the last decade or so have been introduced at a more rapid rate than in previous years and current technological change has far reaching effects on industry's manpower requirements. In this regard, therefore, the bill we are discussing does not go far enough. The effects of accelerating technological change and a high level of unemployment, such as we have now, upon highly unionized industries have contributed largely to uneasy industrial relations in Canada. I think there needs to be some softening in this area.

Obviously, industry and unionized labour have an interest in technological change. It is equally obvious, although not so generally recognized, that the Canadian public has an interest as well: in the first place, as the beneficiary of an efficient and technologically competitive industry or the financial victim of an inefficient industry that is protected by tariffs or bolstered by subsidies; in the second place, as the tax source whose taxes are variously used to assist industry to make technological changes or to assist employees to weather such changes; and in the third place, as the victim inconvenienced by industrial strife arising out of management's and labour's failure to reach agreement on technological change.

It is reasonable to conclude that the public has a vested interest in the problem of technological change and, arising only from that interest, a right and a responsibility to be a third presence with management and trade unions in contributing to the solution of these problems. So in closing, Mr. Speaker, may I say that the technological change provisions in Bill C-183 are an example of general legislation directed to a comparatively minor aspect of one of the problems engendered by technological change.

This is no doubt an assertion of the public interest into management-labour union relations. In light of the examples previously mentioned, it might be termed a minimal assertion of the public interest. One can admit the sacredness of private contract while proposing a profane but superior right of parliament to protect the public purse. So what is at issue here is whether the provisions of the bill are an adequate solution to this problem. For that reason I submit that these provisions and any counter proposals should be thoroughly considered in committee, for I regard the committee study to be one of the most important aspects of our work on this bill. I end with the hope that the minister and the government are willing to concede that the bill can be made much better with a few logical amendments.

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, most members of parliament come to this place with a perspective on Canadian society which is narrower than the total picture. Region, education, social background, family situation, former job, work environment—these are all factors that influence individual judgment about the national problems we are dealing with here. As my regular hecklers across the floor have often noted for the record, this applies to me as well. Coming to this place and being here gives a man an opportunity to see other points of view and, more important, to learn the reasons for the other points of view. In this process my own views have changed in many ways. One area has been in the field of industrial relations, the subject of the bill before us. I should like to take a few minutes tonight to talk about this subject.

There is no area of the Canadian economy in which the structure is so defective as the area of industrial relations. On a day like today, when about 300,000 members of the Canadian labour force of over eight million are on strike, many in critical jobs, this observation needs no support. The mail that I get, and undoubtedly the mail of most members of this House, is full of criticisms of these structural problems. This criticism is unusual in two ways and is not like the usual sort of criticism one receives in the mail. Firstly, it is unlike most general criticism, which tends to be rather complicated. The criticism regarding industrial relations is clearcut. We hear about good guys and bad guys. For some, it is management that is good and the greedy workingman who is bad; for others, the opposite is true. For some, the government is the principal villain; for others, it is American unions or the NDP which are at fault. The various publics of the Canadian population tend to have a very simple view of the causes of the problem.

The second unusual feature of the public debate on industrial relations is that everyone has a simple solution. Again, not everybody's solution is the same. However, none of my correspondents seems to have much difficulty in delivering to me a clear prescription for solving the problem, and this is unusual when one notes the public reaction in other areas of Canadian life where all our energy seems to be used simply in trying to define problems in a clear way.

People write to me, Mr. Speaker, saying that the time has come to break the power of big unions; that they have outlived their usefulness; that we should consider making strikes illegal because they are a feudal throwback and out of place in today's society; that we should make all strikes by public servants illegal, because they are employed by the bottomless purse; that we should make strikes in essential services illegal, either in the public sector or across the board; that we should establish compulsory and binding arbitration as a substitute for the right to strike; that we should insert a government representative into all arbitrations so that we can avoid sweetheart deals and represent the consumer and public interest in settlements; that we should provide guidelines for fair increases across the board and permit no increases beyond the guidelines; that we should appeal to Canadian nationalism; that we should ask Canadians to tighten their belts, as they did willingly during World War II; that we should limit increases to productivity gains, either in particular industries or across the board; and that we should resort to sectoral bargaining. This last proposal has actually been implemented in Quebec and, partly, in Ontario. This has created problems which I hope to return to before I end my remarks.

Each of these solutions could be described as a proposal for structural change and each is quite different from the others. Each one has been subject to much public discussion. I do not want to repeat tired arguments tonight, but I should like to make a few points. Firstly, let me say a word about the power of big unions. It is currently believed both by the population and by many economists that the price-wage spiral is being stoked by increases demanded by big industrial unions which make outrageous demands in every contract renewal that is negotiated. This, for example, is the premise on which John Kenneth Galbraith works. He thinks that big union contracts should be price controlled. This is also the theory behind phase II of the "Nixonomics" presently in effect in the United States, under which controls apply only to the big or key sectors. However, I have investigated the figures and have concluded that the premise is false both in the United States and in Canada.

In the United States, between 1965 and 1971 unionized hourly wages in the manufacturing sector, the so-called "commanding heights" of capitalism and union strength, increased by 36 per cent. In the same period, the lowly and generally non-unionized service sector experienced wage gains of 43 per cent, and the gains of United States federal public servants in the same six-year period were 51 per cent.

On the Canadian scene, although I have had some difficulty with Statistics Canada's products and, hence, difficulty in getting similar information, it seems that a parallel exists. Between 1965 and 1971, the hourly wages of unionized employees of corporations employing over 500 people rose by 55.8 per cent, but over-all for all industries of all sizes the hourly wage increase was 63.9 per cent. Noting that unionized labour constitutes less than 25 per cent of the total, it would seem that in the Canadian situation the wages of unionized employees in big unions have gone up substantially less than the national average. So much for the so-called monopoly power of the unions.

• (2100)

Second, I would like to say a word about strikes. I used to believe that there was an element of immorality about a strike. Certainly a strike is a waste of time that could be used for production of wanted goods and services; but how immoral is it? In a legal strike a group of employees have fulfilled their contract, working at agreed wages until the contract expires. They then seek a satisfactory contract to continue their work. Often patiently, they may continue on the job at the old rates while negotiations go on. In this area, incidentally, no employees in Canada have been more patient than federal public servants. However, the time comes when they feel negotiation is futile and they stop coming to work. Remember, they never agreed to work at the salary they are being paid. In this situation, who can blame them? So much for the morality of it.

For his part, the employer is not without recourse. He does not have to shut down. He is perfectly free to find other workers who want the jobs at lower rates and are prepared to cross picket lines. In fact, the police will assist any new employees to come to work. However, it is a measure of the extent to which Canadians approve of strikes that the strikebreaker or scab is looked down on. I would, therefore, have difficulty accepting the general principle that strikes should be illegal.

I think that if the employees can agree not to strike as part of the collective agreement, that is fine. In this area no group is more progressive than federal public servants, where out of more than 200 collective agreements to which strikes might have applied all but a dozen contain agreement to arbitrate on the breakdown of negotiations. I cannot accept a general illegalization of strikes.

Let me add, as well, that making strikes illegal does not eliminate strikes. In the United States, where strikes are illegal in the public service, there have been, I believe, two postal strikes in the past three years. In Montreal, where police strikes are illegal, the police have been on virtual or actual strike several times in the past four years. So have the jailers in the province of Quebec. One could ask, what is the solution when laws like that are broken? It is surely not putting people in jail.

In Australia, where arbitration is compulsory, there have been five times as many illegal strikes as there have been legal strikes in Canada in similar periods over recent years. I conclude from this experience and these comparisons that making strikes illegal is no panacea, nor is banning other disruptive kinds of presently legal activities. This applies as well to strikes in so-called essential services. For the argument about essential services, a problem of definition arises. Some people's idea of essentiality is different from that of others. For example, the

largest group of complaints I received about recent strikes related to the Saturday night hockey game.

To take another example, we thought the air traffic controllers supplied an essential service, yet Canadians were able to cope with a fairly lengthy strike. For short hauls there were other modes of transportation. For longer hauls there were usually international routes available. I am not saying this is convenient, but it makes the dubious benefit of making strikes illegal a little less compelling. In the final analysis, when a strike proceeds too long and damages the public interest there is always the recourse of special action by Parliament to end the strike. And this special action may well attract compliance from striking workers more easily than a more routine procedure for ordering them back to work.

Mr. Crouse: Would the hon. member permit a question? I was listening carefully to his remarks. Was he implying by his statement that the air traffic controllers were unimportant to the transportation industry of this country? If they had not voluntarily gone back to work, the strike would have continued costing Canadians something like $15 million a day. To my way of thinking this is a very large amount of money. Therefore, does the hon. member not agree these people are very important to the transportation industry in Canada?

Mr. Kaplan: Mr. Speaker, much of what I intend to say applies to that question. The $15 million was the daily cost of continuing the strike. But what would the cost have been to award the 60 per cent increase for which they were asking? What would that have cost the Canadian economy? What would the signal effect be on other negotiations, of having that increase as one of the increases federal public servants were awarded? I will come back to that question at the end of my remarks.

About a year ago I spoke on this subject and stated, as a disadvantage of changing the system, that I believe if strikes were made illegal and compulsory arbitration were substituted in their place, society would have to pay an economic price for it by giving workers higher settlements than they would have obtained by collective bargaining with the strike option. In the interval I have searched for a way of testing this theory. I have some labour statistics from Statistics Canada which tend to support what I said at that time. In 1969, for all provincial employees, contracts settled by arbitration averaged increases of 13.4 per cent. For those settled without arbitration, the increases were only 7.9 per cent. For 1970, the figures are 10.1 per cent and 8.7 per cent. For 1971, the figures are 8.5 per cent and 8.3 per cent. In every case the public got a better deal without the arbitration route and in the absence of arbitration.

For all contracts of government employees at all levels, the comparisons for 1969 were 12.4 per cent under arbitration, and without arbitration only 7.9 per cent. For 1970, the figures were 9.3 per cent and 8.3 per cent. For 1971, there was a slight and explainable shift; the figures were 7.3 per cent and 7.9 per cent. Although these figures apply only to public employees, there were a lot of contracts involved. They prove that a system of compulsory arbitration is more expensive and more inflationary than negotiation with the strike option.

There are other implications of compulsory arbitration of which proponents of that regime may not be aware. Most businessmen who recommend it do not recommend it for themselves but for other industries, usually the big ones. These industries for which they recommend it are in fact the very ones which have enough market power to pass any increases awarded on to their customers. How would these businessmen like to have compulsory arbitration in their own plants, to have some, hopefully and at best, disinterested third party tell them in a binding way what their labour bill will be for production for the next, say, three years? I believe most businessmen would want to reserve the right to hear any award, to take it or leave it but not to be bound by it.

One of the other themes that presents problems is that labour in a sector where there are productivity increases should not be entitled to the whole of that increase but only to the portion that represents the national average productivity gain. The justification for this is obvious. A secretary or line-assembler in an industry which is making productivity gains, computer production for example, is usually no more productive personally than his or her counterpart in a more stagnant industry, a municipal government, for example. To allow the former to receive the whole of the gain is inequitable and will signal less productive sectors to claim equal increases, often through the same union. On the other hand, there is no mechanism for transferring unclaimed gains of the productive industries to other industrial workers across the board, with the result that if the workers in the productive industry do not share the gain, the owners of the industry get what might be seen as a bonanza. I do not see how this dilemma can be resolved. It is usually the activities of the entrepreneurs which have achieved the gain in the first place. The only way I know to settle this is by market forces and this, of course, brings us back to strikes.

• (2110)

Another issue of industrial relations which is over-simplified is the tendency to seek solutions to industrial problems in terms of money. Management believes that an unsatisfactory work situation can be made palatable by offering an increase in pay. Often, labour agrees. But having watched a few years of industrial settlements go by, I observe that industrial peace cannot be bought by means of a money settlement for any reasonable period; the issue inevitably is raised again either during the conterm or later negotiations. Occasionally it involves a particular industrial condition. More often, it is a question of job security. I believe it is unrealistic for either side to try to buy its way out of a difficulty which is, in essence, non-monetary.

Those who criticize the government on the grounds that the bill before us is inadequate, or that it goes too far, would find themselves on more solid ground if there were a country somewhere in the world, or theorists somewhere in the world who had produced a better answer, one which the government was failing to copy either out of ignorance or because of political pressure. But there is no structure elsewhere which is substantially different from ours and which produces better results. Sweden, which seemed to be doing better than us, with a system of

nationwide centralized bargaining, has suffered a breakdown as colossal as were the early successes. Japan has fewer strikes, it is true, but wage increases have been much greater, especially in the current period.

As far as the theorists are concerned, I remind hon. members that a task force on industrial relations was commissioned by the government as long ago as 1966 in the hope that some better structure could be found. It returned with a thoughtful package containing no great innovations. The bill before us really is a response to the many legislative proposals contained in that report.

I would suggest that the solution to industrial relations problems does not lie ultimately in structural changes such as making strikes illegal or calling for voluntary or compulsory arbitration. As I ventured to say at the outset, the attitude toward industrial relations which most of us hold is too simplistic; we are inclined to think in terms of good guys and bad guys, moral activities and immoral activities, patriotism and selfishness. To me the situation, like most other situations in Canadian society, is more complex. For example, student unrest in universities is not dealt with by passing laws and creating new structures, by putting people in jail or kicking them out of school. Similarly, drug problems are not settled merely by introducing legal reforms, banning drugs and catching the pushers or legalizing drugs and setting up a government selling agency. Fundamentally, we are dealing with a behavioural question and not, at least in the first instance, with a structural one.

We find in Canada today a massive alienation from traditional institutions and values, a wave of protest challenging institutions to justify themselves to the rebels, usually the young. What other interpretation can one place upon the growing and dangerous unwillingness of the rank and file of the unions to ratify the reasonable settlements obtained by their leaders? Clearly the institution of the union, like other institutions in our society, is increasingly losing touch with the rank and file of its membership, and is less relevant to them. So, for that matter, are the corporations. Does the working man believe that the company or the union has his best interests at heart, or does he regard the union as being just another business pursuing its own goals? Does his small, single voice really mean anything in the vastness of the typical industrial situation? Does his voice mean more when he says no than when he says yes?

Parliament faces this same problem vis-à-vis the voters of Canada. As an institution in an age of alienation from established institutions we have to justify ourselves to our constituents by showing an evident concern with the anxieties which are felt by them. Anyone who believes that participatory democracy is fully meaningful to our constituents or even, for that matter, to all members of parliament, does not really understand the developing alienation which was so well described in the Speech from the Throne.

We have before us a bill with many parts. It is not the ultimate solution but it does provide certain structural changes which could, if accepted by the parties affected, relieve some of the concerns which lead to breakdown of the process. Job insecurity caused by the continuing technological revolution is clearly an important ingredient in industrial disputes. To this extent, the bill is a positive step and I commend it to the House.

[Mr. Kaplan.]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, exactly one hundred years have gone by since parliament passed the Trade Unions Act which established some orderly industrial relations machinery for Canadian trade unions. Shortly after that, representatives of trade unions came into my area, in the early days of the silver boom, and fought for many things besides wages and improved working conditions. It surprised me today to listen to two hon. members whom I consider to be reactionary enough to have belonged to that age of the 1800s rather than to the 1900s or, more particularly, to 1972. One of them was the hon. member for Red Deer (Mr. Thompson) with his talk about the right to work.

An hon. Member: Oh, come on!

Mr. Peters: To me, the right to work is the right to scab, the right to starve, the right of management to rule.

Mr. Thompson: On a point of order, I should like to ask the hon. member where he got that out of my remarks. To say that kind of thing is unfair and it is not correct.

Mr. Peters: Mr. Speaker, I have listened over the years to management, chambers of commerce and other organizations violently opposed to unions, who talked about the right to work. To me, the right to work means the right to scab, the right of management to rule. It relates to an act which is still on the statute books of Canada, an act governing the relations between master and servant.

The hon. member for Red Deer quoted a figure which I thought was very interesting. He told us that 700,000 man-days had been lost through strikes. Mr. Speaker, I did a rapid calculation and I find that this year we have lost about 150 million man-days through unemployment. If the hon. member had talked about unemployment being a waste of manpower, if he had talked about the right to work in terms of unemployment, he would have been on better ground. What about the right to work of those half million persons who have been excluded from the active labour force, not because they want to be but because there is no work for them? The right to work—

• (2120)

The Acting Speaker (Mr. Boulanger): Order. Is the hon. member for Red Deer (Mr. Thompson) rising on a point of order?

Mr. Thompson: Mr. Speaker, I should like to remind the hon. member for Timiskaming (Mr. Peters) that the figure I used, to which he refers, was for 1950. As far as this year is concerned, I was talking of more than seven million.

The Acting Speaker (Mr. Boulanger): Order. The hon. member for Timiskaming (Mr. Peters).

Mr. Peters: Mr. Speaker, I am pleased to accept the correction of the hon. member and apologize for misinterpreting him. He has now indicated that the figure is seven million man-days lost through strikes in Canada. But there have still been 150 million man-days lost through

unemployment. Anybody who makes the fuss that he made over seven million man-days lost through strikes and at the same time ignores the 150 million man-days lost through unemployment, seems to me reactionary to the extreme.

In similar vein, the hon. member for Timmins (Mr. Roy), displaying the bias he has shown for many years in his own business enterprises in the Timmins area, indicated how terrible unions were, how bad the whole union process was and how wrong the minister was in introducing this legislation, which frankly is not that far advanced. I think the minister will agree it is legislation that is necessary now and the need for it is immediate. However, the hon. member for Timmins indicated this is a terrible piece of legislation which gives in to the unions and gives them certain rights under the law. The legislation does not seem to me to be exceptionally generous and it is in keeping with the labour practices in some of the enterprises that he operates.

Other members have, in my opinion, been reasonable about the changes that are necessary in our labour legislation. There is no doubt that everybody in this country is concerned with the question of strikes. Certainly no one in this country has failed to ask himself why 200,000 or more workers, mainly in the public service, in the province of Quebec are now on strike. No one in this country, when trying to catch an aeroplane, did not ask why civil servants in the transport field were on strike. I am sure that those of us from Toronto who have to put our garbage in plastic bags and leave them in our cellars ask the same question. But I think we should look at the question in terms of whether this legislation will solve the problems. I think in many cases it will not.

Personally, I am not in a position to suggest what would solve these specific problems, but I think that the willingness of this government to examine representations made by both management and labour, those in the management and labour fields who are interested in collective bargaining only, will probably provide some of the answers. I suggest that the minister should look very closely, in terms of federal legislation, at fields where the federal government conducts operations and where negotiations are conducted with Treasury Board. It seems to me—I may be wrong, but I think this is something the minister will have to consider—that in all cases where unions negotiate with a Crown corporation or a department of government they are not eyeball to eyeball with those who are going to put up the money to meet the pay increases of improved conditions that are being demanded. For example, we often find that those who are negotiating with civil service organizations, whether it be a union or an association, reach the position where they can make no further offers and the only alternative open to the workers is either to accept the offer or to call a strike.

I was very interested in the remarks made by the previous speaker. I think we owe him a vote of thanks for having done research in this field, because he pointed out that in cases where the union or association saw fit to accept, at the final stage of the negotiations, the decision of an arbitrator, sometimes the arbitrator made a greater award than the amount previously offered. Immediately we should ask ourselves, was it because the arbitrator was more generous than Treasury Board would have been in direct negotiations, or was it because the initial offer resulted from a flexible position taken by the government negotiators because they felt there was a real possibility of binding arbitration? In cases where the government thought a strike would result, were they using their position as a rich employer to influence, in some cases, a fairly weak treasury in the union or association concerned?

If that is the position, then I think the minister will agree with me that he will have to look at the end result of negotiations with Treasury Board in view of the complete lack of satisfaction on the part of the unions who have dealt with the board, in several instances the dispute being referred back to cabinet for their decision.

I am reminded of the days when we used to negotiate with the gold miners. We used to negotiate with the manager and after a period of time he would finally say, "I cannot agree with you, simply because I do not have the authority to do so. Would you grant a half hour's recess while I phone my principals?" Then he phoned someone in New York or Montreal, and a board of directors we did not know about meeting in another area decided whether consideration should be given to the request being made or whether the workers should go on strike. This arrangement was totally unsatisfactory and it is one that I think is being duplicated now in terms of negotiating with the federal government.

Has it ever occurred to the minister to ask why most of the strikes taking place today are in the public service sector rather than in industry? It is true that occasionally there has been a strike in the automotive industry, or in the steel industry, and in recent years there have been a limited number of strikes in the minerals industry. True, most are under provincial jurisdiction. But leaving aside the jurisdictional question, is it not surprising to find that most of the strikes taking place today are against government, Crown corporations or government agencies of one form or another, which result in serious dislocation?

This bill has been endorsed by the labour congress, not so much because it has many good things in it but because it does not have any bad things in it, I presume. But passing these amendments to the labour code is but the first step. Other steps will have to be taken, and I am sure they will not be taken by an appointed labour relations board that is nominated by the government. This problem will not be solved merely by appointing a board composed of representatives of labour, management and interested parties. It will have to be solved, or those reactionaries who say there will be anarchy in the streets, with the workers rising against the government, will be correct. They will be correct only if we do not provide the proper machinery.

• (2130)

The suggested solution would be to eliminate organization, make it weak, do not give it any room in which to operate or allow it any field in which it could truly represent the workers. That is one way. But I suggest if that happens there will be anarchy throughout this country.

The labour leaders of this country have as much responsibility as most employers. It is only the small employer who causes difficulty for the unions. Most large

companies have learned to live with unions. This fight has been going on in Canada for a hundred years, and there will never be any end to it because there will always be a desire on the part of the workers to get their share of the spoils of industry. This is only normal. And it will be the responsibility of industry to see that the workers do not get such a large share of the benefits of their labour that there is no longer any industry.

I am sure the minister and his officials will agree that organized labour has been orderly in its operations and that a great deal of responsibility and restraint has been shown by both management and labour. I suggest that Canadians have developed a fairly responsible position in respect of labour relations.

It is true that in respect of relationships with the labour relations board there has been a great deal of trust and respect on the part of both management and labour. There has always been the fly-by-night side to bargaining, and I am sure there are elements of both management and labour which would agree that the labour relations board has not done the kind of job it should have done. In the main there has been favourable reaction, as indicated by the Canadian Labour Congress in its suggestion to retain the old labour relations board rather than adopt a new association.

It has been suggested, I presume mainly because it must be, that ministers—and I say, kindly, not this one—have used patronage in appointments to the labour relations board because it has the jurisdiction of a federal court. The reason some people are fearful about this change is that there might be representatives on that board who understand the problems and know the conditions which exist, and these representatives will present their arguments on the basis of their knowledge of the problems, conditions, requirements and desires of one side or the other, management or labour. When we establish a new board with people not having the backgrounds which both sides have found advantageous, obviously we leave ourselves open to the possibility of having a very aggressive member, as we do with judges, who will be found obnoxious to the management side, or someone who is very reactionary and obnoxious to the labour side.

The argument that the general public has to be protected in this regard does not carry a great deal of weight. However, we await with interest the justification with which the minister will no doubt provide the committee for this particular change. This problem of protecting the public is, I believe, vastly overrated. There have been occasions when the public has obviously been affected. I have heard some of my colleagues complain bitterly about labour in relation to grain movement in Canada. What, really, is the problem in respect of the movement of grain? It is not that there might be a small strike of less than a few days but, rather, the fact that we under-operate the whole transportation system. We operate this system with a minimal margin of safety.

A good indication of this can be found in our experience this winter. We had two or three snowslides, following which members of the House suggested a calamity had developed in Vancouver and on the Prairies. Labour is not so much to blame. The fact is that we operate that particular industry in a manner which does not allow for expected or anticipated eventualities which no doubt occur from time to time when labour relations are involved.

The public often has to be protected, but at what price? If you tell the police they cannot strike, it seems to me you have to be overly generous with them. That has not been the case. Who is it who screams loudest when there is a strike at a hospital? I suggest the people who scream are those who want to get into the hospital. There is not a hospital in this country which does not pay every employee, from head nurses down, a substandard wage. The wages of our hospital employees are often disgraceful. There are many who say hospital staff cannot strike because they perform essential services. If that is so, the government, be it municipal, provincial or federal, has a responsibility to the public.

If a government suggests that garbage on the street must be picked up, then it should be overly generous to these employees. Surely under normal circumstances, if the government is generous with these employees there will be less difficulty in negotiations and less danger of a strike situation developing. When you tell an employee there will be no improvements made or, in some cases where there are negotiations, "If you sign an agreement the employee must accept a reduction in advantages under the present contract," it is inevitable that men and women will strike. In such cases a strike is just, necessary and supported by the public.

The main change in this piece of legislation is in respect of technological advancement. The minister has bowed to pressure from certain groups and has included limitations. Certainly the minister has read the Freedman recommendations, one of which states that when changes affect the livelihood of employees they must be subject to negotiation and normal bargaining procedures, and implemented only after due process of contract negotiation. The minister has made some exceptions in this measure. One hon. member speaking on this bill indicated it was terrible not to let management do what it liked. I suggest that management has always exercised the right to do what it likes. The only time this has been curtailed is when there has been negotiation.

Workers' contracts are worded something like insurance policies. They always include exceptions over which no one has control or responsibility: they include the phrase "the will of God". I have always found that God seemed to be on the side of management and never on the side of the workers. I think this is as true in technological change as it is in any other aspect of a union contract. Those things over which management had no direct control were the responsibility of God. This certainly did not provide much assistance to those who were displaced because of a calamity.

• (2140)

An hon. Member: What about the Minister of Labour?

Mr. Peters: If we could substitute the minister of Labour it would seem to me this would cause the same difficulty, because he would be involved in making decisions Solomon would have had considerable difficulty with. I might refer to such a situation. When a fire or some other condi-

tion occurs from which management could not have protected the employer, then in many cases the contractual clause would say that this was beyond the control of management and therefore was not its responsibility.

In the original bill technological changes were all to be negotiated. I think that before this bill passes, the minister will have to give very serious consideration to several changes. First, I believe he will have to give consideration to reopening all existing contracts to allow negotiations, because we will find that many companies will anticipate when this bill might be passed and will be signing three-year contracts for each the exemptions which are included in the bill. They will not be able to reopen until the open period and 90 days' notice from the employer as to the number of changes and number of people affected.

In all fairness, and in order to provide harmony in industrial relations, I believe it will be necessary to treat all contracts after the coming into force of this act in exactly the same way, so that all technological changes which are made will meet the requirements of this act although the contract may have been signed a year or so prior to the passage of the legislation. I say this in the hope that the minister will give consideration to establishing that kind of harmony, because I can see many employers making a contract available to their employees now and anticipating technological changes which will not be covered by this legislation unless it applies to all contracts.

The minister has exempted collective agreements which contain provisions designed to cushion the impact of change. I am not certain what that means. I hope it does not mean what it meant in respect of the Unemployment Insurance Act, where we found if severance pay agreements had not been negotiated which cushioned the impact of the shutdown or closure of a particular property, this was taken out of unemployment insurance. I hope this exemption of collective agreements which contain provisions designed to cushion the impact of change does not mean that anyone who has worked out any type of agreement, such as in the automobile industry or in a number of other industries, will not be eligible for the provisions of the act.

Secondly, there is reference to provisions in the collective agreement for the negotiation and settlement of problems arising from technological change. I do not see much difference in the first and second reference. If the collective agreement contains these provisions, I presume they were negotiated and that the problems were settled as they arose. It may be that some of these changes have been anticipated, as in the automobile industry. However, I believe there is a similarity in these two exemptions.

Third, there is reference to notice in writing of the change being given during the open period of the contract. I do not think one of the most difficult jobs the union negotiator would have would be being faced with the proposition of a 90-day clause indicating that an approximate number of people would be affected in a substantial way. I can see in the open period a good deal of digging up of technical changes which might be expected for the next three years, whether real or imaginary.

I am sure the minister will agree that the greatest fear and one of the difficulties which exist in negotiations is that of the person who does not know whether he will have a job tomorrow. It is all right to say we will retrain him and provide him with alternative employment, but when he looks around and sees a lot of people unemployed and knows that the retraining he will be given will fit him for a job for which an unemployed person is already looking, he finds he is in a very serious position. I suggest that when it is indicated there is an approximate number of people who will be substantially affected by a change, this will cause undue fear and reluctance on the part of the worker to accept anything but an immense increase in his wages.

I worked for several years in the mines. When you take out the first ton of ore from a mine, whether the Inco mine in Sudbury or a small mine at the end of the road such as the one I worked for, you are that much closer to the closing of the mine. It is always anticipated that the mine will close. However, you always had the same chance a player has when playing poker. The mine might not close next year or the year after. You know it will close, but you could play the odds that it would not close now or while you needed a job. You would at least have a fair shake. But where in one area it is decided there is to be a technical change which will obliterate a substantial number of jobs without an alternative being provided, I am sure the employees who are affected will be exceedingly agitated and will probably make exorbitant demands to compensate for the fear they have in respect of the insecurity of their employment.

• (2150)

Mr. Speaker, I should like the minister to tell us why management felt this provision was going to be advantageous to them. Management is as involved in industrial relations as labour. If they have an unhappy labour force, then obviously management is unhappy. If a technical change occurs in industry, it is often reflected in the front office.

It is interesting to note that in companies where there is a very large turnover in the work force because of technical change, there is also a turnover at the management level. In some of the electronics industries it is said that when the American bosses come to the plant they will almost always end up with new management and new technical people in the front office. I wonder if the minister found any particular warmth in the exemptions he made, and why it was not an advantage to leave technical changes to the normal provisions of the fact so that on 90 days' notice negotiations can commence and go all the way through the process to arbitration or strike if necessary. Would that not be more advantageous than using the open period for this type of award which will obviously get mixed up with all the other changes that are suggested?

Mr. Speaker, as other hon. members have said, the federal government affects only a small portion of the Canadian work force. I would agree that a large part of the Canadian labour force is not going to be involved in any case where there is collaboration between labour and management. I think this is a sad state of affairs. A previous speaker mentioned the right to work, which probably carries a great deal of weight with many of the entrepreneurs of this nation. A lot of people are not cov-

ered by collective agreements, but with 530,000 employees under federal jurisdiction we have a responsibility to see that the best possible type of relations are developed.

I should like to say a word about featherbedding, a charge that is always made when there is technical change. It is being said now by CBC officials that NABET is creating a featherbedding situation, that changes have taken place, that more changes are contemplated and that NABET is reacting against these technical changes that will obviously result in the elimination of many jobs.

Mr. Speaker, they know that every time we find a senior official in the CBC who is not competent we use the Peter principle to promote him to the level of his incompetence. He is made a vice-president and put in a little office and soon has a whole string of people under him. Featherbedding can easily be eliminated at the managerial level if the government wishes to look at the situation. Why should they ask this of the little people in NABET, when they know there are at least 25 vice-presidents in the CBC raised to the level of their incompetence on the Peter principle? We know, and I am sure the government knows, that the CBC executive is crowded with incompetents. Why ask the workers to pay the penalty? Why should they be efficient? Why should they not go on strike to maintain their position, when these others cannot be fired?

Mr. Speaker, it is the same all over. The Canadian National Railways has more chiefs than Indians; everybody knows that. In my area there is the Ontario Northland Railway and every time a political figure makes a name for himself he is appointed to run the railroad. No wonder it does not run very well, because they do not have one competent person to run it. It still makes money, but that is because of the area. The CNR is the same, and I presume the CPR is too. Why ask the workers at the bottom? If there are four men sitting writing memos to each other, why not have two men running the engine? At least one could look out one side while the other looked out the other side; they would serve some function. But we try to get rid of the extra worker and do not try to get rid of the vice-presidents.

If we are really interested in facing this matter of change we should be fair to the workers, particularly those in the government, and not talk about featherbedding at the bottom until we get rid of featherbedding at the top. The mandarins are untouchable but it is easy to get rid of the people at the bottom. Mr. Speaker, featherbedding will exist and it is not the answer to technical change. If technical change is in the interest of the public, and it certainly is, then it should be possible for us to provide the worker with alternative employment.

There will always be bigots and reactionaries who oppose this type of legislation which is the minimum that could possibly be passed in the year 1972 to establish labour relations in a country as industrially advanced as Canada. These bigots will flourish when it is impossible to provide alternative employment to those displaced by technical change. It is essential to eliminate strikes, to eliminate the displacement that occurs because of technical change if we are not willing to face the problem of unemployment.

[Mr. Peters.]

The day we solve the problem of unemployment in Canada we will also solve the problem of labour relations. Those who say that today's unemployed are lazy, are wrong. If we could provide employment for the million people looking for work, I think 999,000 would be ready to go to work tomorrow. You would not see the fear of technological change that we now see when a man is told he is no longer employable because a machine is going to replace him, and when he knows there is no alternative employment in any other field.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

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

HEALTH—MOBILIZATION OF RESOURCES TO COMBAT CARDIOVASCULAR DISEASES

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, on February 24 I took the opportunity during the question period to bring to the attention of the Minister of National Health and Welfare (Mr. Munro) the results of the alarming epidemiological studies revealing that cardiovascular disease has become in Canada today the greatest public health problem.

• (2200)

In 1971, cardiovascular diseases were the number one killer in Canada. In that year they took the lives of 77,000 people. Last year, heart attacks and strokes together accounted for 50,000 deaths in our country. The increase in life expectancy through the control of infectious diseases in infancy and childhood accounts for the fact that more Canadians live to an age at which they die from the complications of arteriosclerosis. Recent studies by the Canadian Heart Foundation show that today there are 2½ million Canadians suffering some form of cardiovascular disease.

Absenteeism, reduced productivity, loss of wages resulting from sickness, chronic disability and deaths due to cardiovascular disease are staggering in their proportions. The estimated annual economic loss to Canada is over $200 million. The human tragedy and suffering are incalculable. To date, medical research has done a great deal to cope with some forms of these diseases, especially in the field of cardiovascular surgery. But research into these diseases is still inadequate. We need to allocate more money to find the cause, and therefore prevent the occurrence of cardiovascular disease. Only $5 million was spent on research in the field of cardiovascular disease last year, and of that total only $1½ million was contributed by the federal government.

I would like to take advantage of the occasion this evening, Mr. Speaker, to appeal to the Minister of National Health and Welfare to allocate more financial resources in order to increase the amount of research that is being done in this field. We also need to provide more money for

health services, to provide adequate care for sudden heart attack cases which are brought to the coronary units in our hospitals. Even today a majority of Canadian hospitals do not have coronary units.

We must also provide trained ambulance services which are monitored so that the coronary unit team in a hospital will be adequately prepared for an emergency case on its way to hospital. We are told that in most hospitals there is lack of medical and paramedical personnel. This means that we need more doctors, more medical students.

How can we have more medical students when medical tuition fees are so high, Mr. Speaker? Only a couple of weeks ago the treasurer of the government of Ontario increased tuition fees still further. Lack of medical personnel constitutes an emergency. I believe that we should provide free education at the university level for all those who are capable of going to university, so that all our students capable of taking a medical degree would be able to go to university whether they come from affluent or poor families.

I appeal once again to the minister to launch a special attack on cardiovascular disease, allocate more financial resources for this attack and, as I mentioned previously, institute an educational campaign to advise the general public on how to deal with medical emergencies in the field of cardiovascular diseases.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, we would like at first to thank the hon. member for Parkdale for having called the attention of the House on that important problem.

As we know, it is generally recognized that cardiovascular diseases have several contributive factors. However, it can be stated that physical inactivity, obesity and smoking can lead to cardiovascular diseases. In addition, it can be said that there is an indirect link with pressures, stress and high blood pressure. Other conditions such as diabetes are recognized as being premonitory symptoms of cardiovascular diseases.

However, the increased number of heart conditions—especially heart attacks—in Canada has certainly induced us to pay special attention to programs aimed at preventing that kind of accidents and improving the health of the Canadian people.

[*English*]

At a meeting of federal-provincial ministers responsible for sport and recreation in December, 1971, the minister announced the formation of a directorate, Recreation Canada, which would be concerned primarily with encouraging greater participation by Canadians in physical recreation activities. This directorate would also have concern for programs designed to encourage the improvement of fitness levels of our citizens both through mass participation programs and by stimulating research in the field of fitness. The department itself initiated the first phase of a comprehensive research program on recreation supply and demand in Canada. The purpose of this study is to provide provinces and municipalities with factual information to enable them to plan more realistically for future recreation needs.

In the area of obesity, a national survey, Nutrition Canada, is being conducted to study, among other conditions, the scope of the problem of obesity in Canada. Studies of the dietary intake of a sample of Canadians are being correlated with physical and biochemical indices associated with this and other conditions. When definite data becomes available, program development for this group is expected.

In addition, cigarette smoking has been variously shown to be associated not only with chronic pulmonary disease but with cardiovascular conditions, particularly coronary artery disease. The department has recently doubled the amount of financial assistance to this program in order to promote an educational campaign to warn the public of the hazards of cigarette smoking.

Further to the resources allocated through various federal research agencies and contributions made through the health resources fund, this department has taken a positive stance in attacking the problem of cardiovascular disease through measures designed to control the known precursors of heart disease and cerebrovascular accidents in the Canadian population.

HEALTH—FAMILY PLANNING—POSSIBLE CONSULTATION WITH PROVINCIAL OFFICIALS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, six weeks ago the Minister of National Health and Welfare (Mr. Munro) took an excellent initiative in calling together in Ottawa a Canadawide conference to discuss family planning. He followed it up by the announcement of a grant of $385,000 to the Family Planning Federation of Canada and a much smaller amount to another organization. Those present at the conference expressed satisfaction that the federal government had given a definite lead and voiced the opinion that the major roadblocks to family planning are now at provincial and local levels.

Consequently, on March 2 I asked the minister if he would seek an early meeting with provincial ministers to launch a co-ordinated program of family planning at all government levels. The minister's reply, that there were almost daily ongoing discussions which included family planning, failed to indicate to me the vigorous campaign of federal leadership which I believe is necessary at this time.

Canada is a long way behind most of the advanced countries in this regard. Let me give some figures published by Dr. Michael J. Ball, of the University of Alberta, in the Canadian Medical Association Journal for February 5 of this year. In a recent survey, the Family Planning Federation of Canada identified a total of 66 family planning clinics across the country, divided approximately equally among hospitals, health departments and private organizations including local planning associations. This figure does not include clinics teaching the rhythm method only.

• (2210)

How many birth control clinics does Canada need? A ratio of one clinic to a population of 55,000 has been found to be quite inadequate in Britain and special legislation

was passed to encourage hospitals and health departments to open more clinics. If one clinic to a population of 30,000 were made the objective for Canada, including mobile clinics or teams for remote areas, we would need not only the present 66 clinics but 700 clinics for the country as a whole. Newfoundland would need 16 clinics instead of the present one. Prince Edward Island and Saskatchewan would have to start from scratch and establish 4 and 32 clinics respectively. Nova Scotia would have to go from 2 to 32, New Brunswick from 1 to 21, Quebec from 13 to 193, Ontario from 17 to 232, Manitoba from 6 to 25, Alberta from 2 to 49, British Columbia from 13 to 62, and the Yukon and Northwest Territories from 1 to 2 plus.

These clinics could be opened without major capital expenditures if general hospitals and health units were to open clinics in existing premises. The cost benefit in Aberdeen, Scotland—that very well known place of saving—has been calculated as a tenfold saving in health and welfare costs over the combined expenditure on contraceptive services and health education over a five-year period. Very few facilities exist in Canada so far for training health professionals and social workers in family planning. The need for them is great.

Should the minister be tempted to reply to me that we cannot afford adequate family facilities at this time, I would remind him of the warning issued a year ago at the University of Toronto by Cope W. Schwenger and published by the Department of National Health and Welfare last September in their brochure on the current status of family planning in Canada. He said:

> —if sufficient family planning services are not made economically and geographically available and reasonably quickly, there is a distinct possibility ... that abortion on request ... may well become not only one of the leading but one of the most acceptable forms of birth control as a first line of defence against unplanned pregnancy, as in Japan and Eastern Europe.

Surely, Mr. Speaker, I need say no more to impress upon the minister the need for his dynamic leadership now in convincing provincial authorities of the need for haste and adequacy in the matter of family planning and birth control programs.

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, on March 2 last, the hon. member for Vancouver-Kingsway (Mrs. MacInnis) put a question to the Minister of National Health and Welfare (Mr. Munro) concerning the possibility of consulting the provincial ministers with regard to the federal family planning program.

The Minister of National Health and Welfare is surprised that the hon. member for Vancouver-Kingsway should keep the House this evening to discuss this matter.

Unless I am mistaken, the hon. member attended some of the meetings of the National Conference on Family Planning at the beginning of March. She took part in the Conference with some other hon. members. The Conference's purpose, among others, was to advise the provincial governments and municipalities of the firm intention of the federal government of putting family planning services at the disposal of all those who want them. Not only did the media widely publicize the event, but all the provinces were informed of the objectives to be achieved in a letter addressed by the Minister of National Health and Welfare to all premiers and heads of governments of the Territories, inviting them to send representatives to the conference.

Moreover, all provinces and territories were invited to send a high official of their departments of Health, Welfare and Education and most of them made a positive response.

The ten major cities were also invited to send representatives and they were informed of the goals of the conference.

Officials of the Department of National Health and Welfare will continue to maintain liaison with the provinces in order to supply them with advice and assistance in the development of their family planning programs. As the minister put it at the national conference, amounts will be paid to provinces and other agencies in 1972-73 for specific family planning projects and, as he has often repeated, it is possible to obtain credits under the Canada Assistance Plan, federal-provincial cost-sharing schemes, medicare and hospital insurance.

I recognize the interest that the hon. member is bringing to the matter of family planning and I find this attitude very creditable. However, I fail to understand why she should hold us here tonight, for she knows very well the intense activity of the Department of National Health and Welfare in initiating the national family planning program since she witnessed these efforts just a few days ago.

[*English*]

Mr. Knowles (Winnipeg North Centre): What has he done since then?

Motion agreed to and the House adjourned at 10.18 p.m. until Monday, April 17, pursuant to Special Order.

ADDRESS
of
RICHARD M. NIXON
President of the United States of America
to
Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Friday, April 14, 1972

The President was welcomed by the Right Honourable P. E. Trudeau, Prime Minister of Canada, and thanked by the Honourable Lucien Lamoureux, Speaker of the House of Commons.

• (1510)

Hon. Lucien Lamoureux (Speaker of the House of Commons): I now call upon the Right Honourable, the Prime Minister to introduce the President of the United States.

Right Hon. P. E. Trudeau (Prime Minister): Mr. President of the United States, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, members of the Parliament of Canada:

On behalf of the people of Canada, and of their parliamentary representatives gathered in this chamber, I extend to you, Mr. President, and to Mrs. Nixon, a warm welcome to Ottawa.

Hon. Members: Hear, hear!

Mr. Trudeau: You, Sir, are the fifth holder of your office to honour a joint session of the Parliament of Canada. Because your colleague President Eisenhower visited this place twice, your address will be the sixth such to be heard here.

[*Translation*]

You see before you, Mr. President, Canadians from every corner of this far-flung land we call Canada. They reflect not just the geography of the country but as well the great mixture of peoples which adds such richness and variety to our national life. The different origins of many of these men and women, and the languages they speak, illustrate the diversity of Canada. Their presence in the Chamber symbolizes our unity of purpose and our devotion to our parliamentary heritage. Part of that tradition was carried from France to England by the Norman conqueror nine centuries ago. It blossomed there and found its way naturally to Canada where it serves us admirably, and distinguishes us from the many countries elsewhere in the hemisphere.

[*English*]

Your presence here today, Mr. President, is striking evidence of the flexible yet harmonious relationship which has evolved over the years between the United States and Canada. Our two countries and our two peoples have much in common, but they are not identical in their moods nor in their interests, and it is a disservice to a proper understanding of one another if we overlook these distinctions. Our friendship is more dynamic because of our differences, and our relationship deeper and wider. Those differences stem from a past which, parallel to yours, is distinctive; and from governmental institutions which preserve like values but by different means.

In our meetings this morning we spoke a common language, employing familiar idioms, recalling an entwined history, and discussing problems identifiable to each in terms of values we share and respect. What other two countries in the world can offer to their peoples and leaders such a contribution to understanding?

What is the effect on Canada and Canadians of the existence next door to us of the great country of America? Certainly, it is one of stimulation. There is little that the United States does that is not felt or noticed in Canada. Your lofty goals, your good natured hospitality, your successes and your failures, your accomplishments and your shortcomings, your throbbing vitality, are all deeply imprinted in the collective conscience of Canadians. Understandably, there is little that Canadians do which they do not compare with similar activity in the United States.

Our relationship with you is too complex to be described, too involved to be understood fully, too deeply entrenched to be disregarded. We are no more capable of living in isolation from you than we are desirous of doing so. For those reasons, the basic friendship of Canada in the past several decades has been taken for granted by the United States, as we have accepted yours. I assure you that that friendship will continue for it is a permanent feature of our relationship with you. It will adjust to circumstance and be made more articulate in the process, but it is not regarded by us as negotiable.

Hon. Members: Hear, hear!

Mr. Trudeau: It is that friendship that has contributed immeasurably to the high degree of economic well-being, physical security and general happiness enjoyed by the peoples of both countries.

It is as an expression of that friendship that we welcome you, Sir, to this special session of the Parliament of Canada.

Hon. Members: Hear, hear!

Hon. Lucien Lamoureux (Speaker of the House of Commons): I will call upon the President of the United States.

[*Translation*]

Mr. Richard M. Nixon (President of the United States): Mr. Speaker of the House of Commons, Mr. Speaker of

the Senate, Mr. Prime Minister, hon. members of the Parliament of Canada, distinguished hosts and friends, I deeply appreciate your kind invitation as well as your cordial welcome.

[*English*]

To all of you who have welcomed Mrs. Nixon and me so warmly on this occasion, I trust you will make allowance for my attempt to speak in the language I studied 37 years ago. When I tried it today, before I came, on our top linguist in the American government, General Walters, he said, "Go ahead, you speak French with a Canadian accent".

Hon. Members: Hear, hear!

Mr. Nixon: I will have to admit that I am not very much at home in the French language but, as a former parliamentarian in my own country, I feel very much at home in this Chamber. I am grateful for the high privilege which your invitation represents. I am grateful, too, for this chance to return to Canada, and for the opportunity of signing here an historic agreement to restore and protect forever the quality of our Great Lakes which we share together. That agreement testifies to the continuing vitality of our unique relationship which has been described so eloquently by the Prime Minister. In discussing that relationship today, I wish to do so in a way that has not always been customary when leaders of our two countries have met. Through the years our speeches on such occasions have often centered on the decades of unbroken friendship we have enjoyed and our four thousand miles of unfortified frontier. In focusing on our peaceful borders and our peaceful history, they have tended to gloss over the fact that there are real problems between us. They have tended to create the false impression that our countries are essentially alike. It is time for Canadians and Americans to move beyond the sentimental rhetoric of the past. It is time for us to recognize that we have very separate identities; that we have significant differences; and that nobody's interests are furthered when these realities are obscured.

• (1520)

Our peaceful borders and our peaceful history are important symbols, to be sure. What they symbolize, however, is the spirit of respect and restraint which allows us to co-operate despite our differences in ways which help us both. American policy toward Canada is rooted in that spirit. Our policy toward Canada reflects the new approach we are taking in all of our foreign relations, an approach which has been called the Nixon Doctrine. That doctrine rests on the premise that mature partners must have autonomous independent policies; each nation must define the nature of its own interests; each nation must decide the requirements of its own security; each nation must determine the path of its own progress. What we seek is a policy which enables us to share international responsibilities in a spirit of international partnership. We believe that the spirit of partnership is strongest when partners are self-reliant. For among nations, as within nations, the soundest unity is that which respects diversity, and the strongest cohesion is that which rejects coercion.

[Mr. Nixon.]

Over the years, the people of Canada have come to understand these concepts particularly well. Within your own borders, you have been working to bring a wide variety of peoples and provinces and points of view into a great national union, a union which honors the integrity of its constituent elements. It was Prime Minister Laurier who said of Canada's differing components: "I want the marble to remain the marble; I want the granite to remain the granite; I want the oak to remain the oak". This has been the Canadian way. As a result, Canadians have helped to teach the world, as Governor General Massey once said, that the "toleration of differences is the measure of civilization".

Today, more than ever before, we need to apply that understanding to the whole range of world affairs. To begin with, we must apply it in our dealings with one another. We must realize that we are friends, not because there have been no problems between us, but because we have trusted one another enough to be candid about our problems and because our candour has nourished our co-operation.

Last December your Prime Minister (Mr. Trudeau) and I met in Washington and he asked me if I thought the United States would always want a surplus trade balance with Canada so that we could always export capital here. My answer then, and my answer now, is no. As I said to him at that time, we in the United States saw this same problem from the other side before World War I. We then depended on European capital for our development and we wanted to free ourselves from that dependence. So, we fully understand that Canada is in that same position today.

Canada is the largest trading partner of the United States.

Hon. Members: Hear, hear!

Mr. Nixon: It is very important that that be noted in Japan, too.

Hon. Members: Hear, hear!

Mr. Nixon: Our economies have become highly interdependent. But the fact of our mutual interdependence and our mutual desire for independence need not be inconsistent traits. No self-respecting nation can or should accept the proposition that it should always be economically dependent upon any other nation. Let us recognize once and for all that the only basis for a sound and healthy relationship between our two proud peoples is to find a pattern of economic interaction which is beneficial to both our countries and which respects Canada's right to chart its own economic course. We must also build a new spirit of partnership within the western hemisphere that we share together. It has been said that Canada is bounded "on the north by gold, on the west by the East, on the east by history, and on the south by friends".

Hon. Members: Hear, hear!

Mr. Nixon: We hope that will always be the case. We hope it will be the case not only with respect to the United States, your immediate neighbour on the south, but with respect to all your southern neighbours, and ours, who are

bound by the great forces of geography and history which are distinctive to the New World. But geography and history alone do not make a community. A true community must be a living entity in which the individuality of each member is a source of pride to all members, in which the unity of all is a source of strength to each. And the great community of the Americas cannot be complete without the participation of Canada. That is why we have been encouraged by the recent decisions of Canada to upgrade its participation as an observer in the Organization of American States to ambassadorial status and to apply for membership in the Inter-American Development Bank. For both of these institutions made the abstract concept of community within the Americas a living reality.

A sound concept of community is also important in another international area that we share, the Atlantic Alliance. Just one month after my inauguration as President of the United States, I observed that a new spirit of co-operation within that alliance was essential as we began a new search for co-operation between East and West. The recent agreements concerning Berlin, and the fact, for example, that thousands of families were reunited this Easter for the first time in many years, are among the first fruits of a new era of East-West negotiation.

But, as we seek better relations with our adversaries, it becomes all the more important to strengthen the alliances with our friends. We must never forget that the strength and the unity of the West has been an indispensable element in helping to bring about the new era of negotiation with the East. That is why we began our round of summit talks last December by meeting with the Prime Minister of Canada, and then with the leaders of other close allies. This is why our East-West conversations will always be accompanied by full and genuine consultations within the Atlantic Alliance.

This alliance began as a way of pooling military resources. Today, it is a way of pooling our intellectual and our diplomatic resources as well. Like our federal approaches to nationhood, like our Canadian-American brotherhood, like our inter-American neighbourhood, the Atlantic Alliance has achieved a creative unity in which the individuality of its members is respected and advanced.

Let us now turn to the world as a whole, for this is where the challenge of building a true community will be most difficult and most important. We, in Canada and the United States, have always been proud to live in what is called the New World. Today there is a new world coming for everyone who lives on this globe. It is our responsibility to make this new world a better world than the world we have known. Canadians and Americans have fought and died together in two world wars in this century. We live now in what has been called a post-war era. But mankind has known a long succession of post-war eras. And each one of them has turned out to be a pre-war era as well. The challenge we face today is to build a permanent post-war era, an era of lasting peace.

My visit to Ottawa comes midway between my visits to Peking and Moscow. In many respects these journeys are very different. In the People's Republic of China, we opened a new dialogue after 22 years of virtually no communication. In the Soviet Union, there is an opportunity to bring a continuing dialogue to productive conclusions. But in their central aim these journeys to Peking and Moscow are alike. Neither visit is directed against anyone, adversary or ally. Both are for the betterment of everyone, for the peace of all mankind. However, we must not allow the fact of summit meetings to create any unrealistic euphoria.

• (1530)

The responsibility for building peace rests with special weight upon the great powers. Whether the great powers fulfil that responsibility depends not on the atmospherics of their diplomacy but on the realities of their behavior. Great powers must not treat a period of detente as an interlude between periods of tension. Better relations among all nations require restraint by great nations, both in dealing with each other and in dealing with the rest of the world. We can agree to limit arms. We can declare our peaceful purposes. But neither the limitation of arms nor the declaration of peaceful purposes will bring peace if, directly or indirectly, the aggressive use of existing weapons is encouraged. The great powers have a responsibility for the aggressive actions of those to whom they give the means of embarking on such action. The great powers must use their influence to halt aggression, not to encourage it. The structure of world peace cannot be built unless the great powers join together to build it. Its strength will grow only as all nations, of all political and social systems, come to accept its validity and sustain its vitality. This does not mean the great powers must always agree.

We expect to continue to have profound philosophical and diplomatic differences with the Soviet Union and with the People's Republic of China in a number of areas. But, through opening new lines of communication, we hope to increase the chance that in the future we shall talk about our differences and not fight about them. As we have prepared for both these journeys the experience of Canada has been most helpful. I am grateful to both the Prime Minister and to the Opposition Leader, Mr. Stanfield, for sharing their insights with us as we embarked on these endeavours. As we continue together our common quest for a better world order, let us apply the lessons we have learned so well on this continent: that we can walk our own road in our own way without moving farther apart; that we can grow closer together without growing more alike; that peaceful competition can produce winners without producing losers; that success for some need not mean setbacks for the rest; that a rising tide will lift all of our boats; that to go forward at all is to go forward together; that the enemy of peace is not independence but isolation; that the way to peace is an open world.

And let us remember too, these truths that we have found together, that variety can mean vitality; that diversity can be a force for progress; and that our ultimate destiny is indivisible.

When I spoke at the St. Lawrence seaway ceremonies in 1969, I borrowed some words from the monument there which I had joined Queen Elizabeth in dedicating just ten years before. That monument, as its inscription puts it:

> bears witness to the common purpose of two nations whose frontiers are the frontiers of friendship, whose ways are the ways of freedom, whose works are the works of peace.

The truth to which the inscription testifies is of profound importance to people everywhere in this world.

For the ability of our two nations, Canada and the United States, to preserve the frontiers of friendship, to walk in the ways of freedom, and to pursue the works of peace provides example and encouragement to all who seek these same objectives, wherever they may live.

There is nothing more exciting than a time of new beginnings. A member of this body caught that spirit when he spoke in Parliament about the beginnings of Canadian nationhood 100 years ago. Listen to him:

> Blood pulsed in our veins, new hopes fired our hearts, new horizons lifted and widened, new visions came to us in the night watches.

May that same sense of excitement inspire our two nations as we help lead the world to new beginnings today.

Hon. Lucien Lamoureux (Speaker of the House of Commons): Mr. President, it is my responsibility to adjourn this historic meeting. I do so with a feeling of having participated in a most significant occasion in the history of the Parliament of Canada.

You have come to this country, Sir, as the head of state of our closest neighbour. In this capacity you have engaged in discussions with our government. It is the confident hope of all members and senators that these discussions will be fruitful.

It gives us particular pleasure that you have also come to the Parliament of Canada. We Canadians bear many similarities to your great people and one of the most significant lies in the fact that both our countries have free and open legislative bodies where the issues of the day are discussed and decided upon.

• (1540)

Assembled in this chamber are the representatives of all the citizens of Canada. It is on their behalf that I thank you, Mr. President, for the great honour you have paid us by coming with Mrs. Nixon to address us on this day and for the notable speech you have delivered to us.

[*Translation*]

Mr. President, my colleagues of the Senate and the House of Commons are gratified by the cordial sentiments you have just expressed with such sincerity, vigour and eloquence.

Mr. President, we are honoured by your presence here, and that of Mrs. Nixon. The Senate and the House of Commons therefore unite to express the wish that your visit to Ottawa will strengthen the friendship which already so closely links the United States and Canada.

[*English*]

Ladies and gentlemen, this meeting is adjourned.

HOUSE OF COMMONS

Monday, April 17, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

POLLUTION

TABLING OF AGREEMENT BETWEEN CANADA AND UNITED STATES ON GREAT LAKES WATER QUALITY

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I wish to table in the two official languages the text of an agreement between Canada and the United States of America on Great Lakes water quality, signed in Ottawa on April 15, 1972, which came into force on the same day.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

DEPARTMENT OF TRANSPORT—TRAINING CAMPUS

Question No. 9—**Mr. Rowland:**

1. Has a decision been made to build a complete training campus for the Ministry of Transport and, if so, where will it be located?

2. How much notice will be given to permanent staff at the present schools of the intention to move their location?

3. Will alternative employment be offered to permanent staff at the present schools if they do not wish to change their location?

4. If permanent employees are forced to move to the new location, what arrangements as regards removal expenses will be made?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. No.

2. N/A

3. N/A

4. N/A

TENDERS FOR PURCHASE OF SPECTACLE FRAMES

Question No. 11—**Mr. Marshall:**

Under Department of Supply and Services News Release C-495, what tenders were submitted for Special Spectacle Frames GF-10001-1-D350?

Hon. James Richardson (Minister of Supply and Services): The AOCO Ltd. of Belleville, Ont. and the Defence Research Board have been developing these Combat Spectacle Frames, for wear under gas masks, since 1963. As a consequence the AOCO company was the only one invited to quote on the requirement. AOCO Limited submitted a cost breakdown to support its tendered price of $18,400 for 2,200 pr. of spectacle frames and it was reviewed by the DSS and considered reasonable and acceptable based on examination of the Company's operating costs and production forecasts.

CO-ORDINATION OF INFORMATION BETWEEN MANPOWER COUNSELLORS AND UIC INTERVIEWERS

Question No. 18—**Mr. Marshall:**

What terms of reference are laid down by the government to co-ordinate information and assistance to the unemployed between Manpower counsellors and UIC skilled, trained interviewers?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): When unemployed workers make application for unemployment insurance benefits, they are referred to a Canada Manpower Centre if they require the services provided by the Centre and have not contacted it prior to applying for benefit. Subsequently, if the Unemployment Insurance Commission interviewers determine that claimants who have not recently contacted a Centre are in need of the services provided by the Centres, appointments are made for the claimants to be interviewed by Manpower Counsellors. Also, Canada Manpower Centres provide Unemployment Insurance Commission interviewers with current labour market information. Canada Manpower Centres and Unemployment Insurance Commission offices provide the public with pamphlets, application forms and other material dealing with the programs and services of the other organization. A committee of officials of the Unemployment Insurance Commission and the Department of Manpower and Immigration has recently been established to investigate further means of co-ordination between the two organizations to provide greater assistance to the unemployed.

PEI—PROVINCIAL GOVERNMENT EMPLOYMENT STATISTICS

Question No. 24—**Mr. Macquarrie:**

1. Did the Dominion Bureau of Statistics report that at the end of September 1971, the number of persons employed by the Prince Edward Island Government was 4,366?

2. Was this figure later amended and, if so, what was the revised figure?

3. If an error occurred, how and by whom was it brought to the attention of Statistics Canada?

4. What other examples of errors in statistics on provincial government employment have been made by Statistics Canada or the Dominion Bureau of Statistics Canada in the past ten years?

Questions

5. If such an error was made in the Prince Edward Island figures, was the reason for same investigated and, if so (a) by whom (b) with what result?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. Yes.

2. The Province of Prince Edward Island was informed of the revised figure. The next issue of the publication concerned, "Provincial Government Employment", (published quarterly), scheduled for release in the latter part of March 1972 (covering the 4th quarter of 1971) will show the revised data for the end of September 1971.

The revised figure is 3,620.

3. Analysis of the data at Statistics Canada brought the error to light, and also, the Prince Edward Island Civil Service Commission brought it to the attention of Statistics Canada.

4. Statistics Canada is not aware of any other errors which may have occurred in the past ten years in its statistics on provincial government employment.

5. (a) Yes. The Government's Division of Statistics Canada investigated. (b) Additional editing checks of employment data have been instituted prior to publication of data by Statistics Canada.

NUMBER OF PERSONS IN RECEIPT OF OLD AGE SECURITY PAYMENTS AND GUARANTEED INCOME SUPPLEMENT

Question No. 27—**Mr. Knowles (Winnipeg North Centre):** (Supplementary)

1. How many persons in Canada, by provinces, are in receipt of the Old Age Security pension?

2. Of the recipients of the Old Age Security pension, how many persons in Canada, by provinces, are in receipt of the Guaranteed Income Supplement?

3. Of those receiving the Guaranteed Income Supplement, how many persons in Canada, by provinces are receiving the full amount?

4. What is the average amount, in Canada, and by provinces, being received as a Guaranteed Income Supplement by recipients of the Old Age Security pension?

5. Do the answers to the above questions take into consideration persons living outside of Canada who are in receipt of the Old Age Security pension and, if so, how many of such persons are there, and if they are considered as belonging to the various provinces what is the number for each province?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Newfoundland, 32,692; Prince Edward Island, 12,363; Nova Scotia, 72,932; New Brunswick, 54,797; Quebec, 420,153; Ontario, 646,485; Manitoba, 96,937; Saskatchewan, 94,984; Alberta, 118,655; British Columbia, 205,190; Northwest Territ., 848; Yukon, 512. National, 1,756,548.

2. Newfoundland, 27,471; Prince Edward Island, 9,502; Nova Scotia, 48,854; New Brunswick, 37,001; Quebec, 258,-614; Ontario, 305,093; Manitoba, 57,321; Saskatchewan, 56,715; Alberta, 69,186; British Columbia, 107,255; Northwest Territ., 742; Yukon, 314. National, 978,068.

3. Newfoundland, 19,769; Prince Edward Island, 5,114; Nova Scotia, 26,926; New Brunswick, 21,205; Quebec, 147,-795; Ontario, 128,662; Manitoba, 26,417; Saskatchewan, 25,926; Alberta, 33,122; British Columbia, 48,605; Northwest Territ., 631; Yukon, 222. National, 484,394.

4. Newfoundland, $49; Prince Edward Island, $46; Nova Scotia, $47; New Brunswick, $45; Quebec, $47; Ontario, $42; Manitoba, $44; Saskatchewan, $43; Alberta, $45; British Columbia, $43; Northwest Territories, $55; Yukon, $55; National, $44. N.B.—The figures above are given on a monthly basis.

5. Yes. As of December 31, 1971, the latest month for which figures are available, there were 44,841 persons in receipt of the Old Age Security pension outside of Canada. Some of these pensioners would be absent temporarily, and others on a permanent basis. Some might be receiving a Guaranteed Income Supplement, which is payable for the first six months of absence following departure from Canada, but no figures are available. The breakdown by province of last residence is as follows: Newfoundland, 114; Prince Edward Island, 90; Nova Scotia, 420; New Brunswick, 501; Quebec, 3,516; Ontario, 6,228; Manitoba, 699; Saskatchewan, 617; Alberta, 766; British Columbia, 2,806; Northwest Territories, 2; Yukon, 7. National, 15,766. N.B.—The figures above are as of December 1971.

CANADIAN NATIONAL RAILWAYS—NUMBER OF RETIRED EMPLOYEES IN RECEIPT OF PENSIONS

Question No. 37—**Mr. Knowles (Winnipeg North Centre):**

1. How many retired employees of the Canadian National Railways are in receipt of pensions of less than $25 per month?

2. How many are in receipt of a pension of $25 per month?

3. How many are in receipt of a pension of $25.01 to $29.99 per month (b) $30 to $39.99 per month (c) $40 to $49.99 per month (d) $50 to $59.99 per month (e) $60 to $69.99 per month (f) $70 to $79.99 per month (g) $80 to $89.99 per month (h) $90 to $99.99 per month (i) $100 to $124.99 per month (j) $125 to $149.99 per month (k) $150 to $199.99 per month (l) $200 to $299.99 per month (m) $300 per month and over?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport: The Management of Canadian National Railways advises as follows: The information shown being as of Decembpr 31, 1971. 1. Number of pensioners receiving less than $25 a month, 281.

2. Number of pensioners receiving $25 a month, 248.

3. Number of pensioners in receipt of pensions of: (a) $25.01 to $29.99 a month, 195; (b) $30 to $39.99 a month, 421; (c) $40 to $49.99 a month, 663; (d) $50 to $59.99 a month, 2,303; (e) $60 to $69.99 a month, 858; (f) $70 to $79.99 a month, 691; (g) $80 to $89.99 a month 627; (h) $90 to $99.99 a month 638;(i) $100 to $124.99 a month 1,799; (j) $125 to $149.99 a month, 1,886; (k) $150 to $174.99 a month, 2,033; (l) $175 to $199.99 a month 1,912; (m) $200 to $299.99 a month, 6,441; (n) $300 and over, 5,093. In a number of cases the amounts of pensions paid by Canadian National Railways do not represent the total pensions payable to employees for railway service. Pensions payable by the CNR to international employees (service in both Canada and the United States) relate to their service in Canada only. Such employees also receive annuities payable under the U.S. Railroad Retirement Act or the Social Security Act for service performed in the United States. For example, in the group receiving pensions of under $25

from the CNR, there are 31 former international employees who also receive U.S. Railroad Retirement or Social Security annuities in respect of CNR service rendered in the United States. The balance of this group consists of employees who elected early retirement (before age 65) with reduced basic ($25) pensions, and employees who had very short service and small contributions.

ATLANTIC REGION FREIGHT ASSISTANCE ACT

Question No. 82—**Mr. Coates:**

Did the Federal-Provincial Committee on Atlantic Transportation make a recommendation on May 6, 1970, to the effect that special regulations be made to establish and provide for the payment of special transportation and distribution assistance to shippers and consignees under Section 6 of the Atlantic Region Freight Assistance Act and, if so, have such regulations been produced and, if so, when and what has been the total amount of assistance provided to shippers and consignees under these regulations to date?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Federal-Provincial Committee on Atlantic Transportation made a recommendation on May 6, 1970, to the effect that regulations be made to provide special transportation assistance to users under the terms of Section 6 of the Atlantic Region Freight Assistance Act. Order-in-Council P.C. 1970-2015 of November 17, 1970, provided for extra subsidies to common carrier truckers.

GOVERNMENT TRADE OFFICES AND MISSIONS

Question No. 98—**Mr. McIntosh:**

1. In each of the years 1968 to 1971, were any government trade offices or missions closed and, if so (a) in which countries (b) for what reason were such offices closed?

2. Were any government trade offices or missions opened since 1968 and, if so (a) in which countries (b) for what reason?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. (a) 1968, Nil. 1969, (i) Santo Domingo, Dominican Republic; (ii) Liverpool, England. 1970, (iii) Montevideo, Uruguay; (iv) Accra, Ghana. 1971, Nil. (b) (i) Transfer of coverage to San Juan, Puerto Rico; (ii) Transfer of coverage to London, England; (iii) Closing of Canadian Embassy; (iv) Transfer of coverage to Lagos, Nigeria.

2. (a) 1968, (i) Seattle, U.S.A. 1969, (ii) San Juan, Puerto Rico; (iii) Ankara, Turkey; (iv) Bangkok, Thailand; (v) Djakarta, Indonesia. 1970, (vi) Buffalo, U.S.A.; (vii) Minneapolis, U.S.A.; (viii) Abidjan, Ivory Coast; (ix) Warsaw, Poland. 1971, (x) Peking, People's Republic of China; (xi) Algiers, Algeria; (xii) San José, Costa Rica;

2. (b) (i) To enhance coverage in the northwest area of the U.S.A.; (ii) To capitalize on import growth prospects in Puerto Rico; (iii) To provide direct service to exporters to Turkey; (iv) To enhance commercial coverage in Thailand and surrounding countries; (v) To promote Canadian participation in growth of imports in Indonesia; (vi) To provide more extensive coverage at a major distribution point within the United States; (vii) To improve an extensive coverage of a prime marketing area within the United States; (viii) To provide a base for promotion of exports to French speaking West Africa; (ix) To enhance commercial representation in Eastern Europe; (x) To monitor import requirements and represent Canadian export interests following recognition of the Government of the People's Republic of China; (xi) To capitalize on growth of imports into Algeria; (xii) To expand trade promotion coverage in Central America.

BUTTER IMPORTS

Question No. 107—**Mr. Lambert (Bellechasse):**

Did Canada import any butter from April 1, 1970 to March 31, 1971 and, if so (a) from what countries (b) in what quantities (c) at what prices?

[*Translation*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Imports of butter into Canada from April 1, 1970 to March 31, 1971:

(a) From:	(b) Quantities: (pounds)	(c) Average Price per Pound: ($)
Belgium-Luxembourg	1,911,500	.23
New Zealand	26,400	.34

[*English*]

PEI DEVELOPMENT PLAN—GOVERNMENT REPRESENTATIVES ON JOINT ADVISORY BOARD

Question No. 117—**Mr. Macquarrie:**

1. Since the establishment of the Prince Edward Island Development Plan, who have been the representatives of the Government of Canada on the Joint Advisory Board?

2. In each case (a) what position does he hold in the Public Service of Canada (b) what has been his length of service (c) what previous positions has he held (d) what are his qualifications?

3. How many meetings of the Joint Advisory Board have been held?

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1 and 2. (a) (b) and (c). The following have been or are the representatives of the Government of Canada on the Joint Advisory Board under the Prince Edward Island Development Plan: Mr. Tom Kent, former Deputy Minister of Regional Economic Expansion, now President of the Cape Breton Development Corporation, March 7, 1969-August 31, 1971; Mr. J. D. Love, Deputy Minister of Regional Economic Expansion, since Sept. 1, 1971; Mr. S. B. Williams, Deputy Minister of Agriculture, since March 7, 1969; Mr. T. K. Shoyama, Assistant Deputy Minister, Department of Finance, since March 7, 1969; Dr. W. R. Dymond, former Assistant Deputy Minister, Department of Manpower and Immigration, now on staff at the University of Ottawa, March 7, 1969-December 12, 1969; Mr. R. J. Grenier, Assistant Deputy Minister, Department of Manpower and Immigration, since December 12, 1969; Dr. E. P. Weeks, former Assistant Deputy Minister, Department of Regional Economic Expansion, now Chairman of the Canadian Saltfish Corporation, March 7, 1969-March 31, 1970; Mr. J. C. Morrison, Assistant Deputy Minister, Department of Regional Economic Expansion, since September 1, 1971; Mr. Garnet T. Page, Director-

General of Implementation Services, Department of Regional Economic Expansion, March 7, 1969-August 31, 1971.

2. (d) All federal members of the Joint Advisory Board were appointed because of the senior positions they occupied in Departments having a direct interest in the implementation of the Development Plan.

3. The Board has held seven meetings.

WOOD ISLAND—CARIBOU FERRY SERVICE

Question No. 165—**Mr. Macquarrie:**

1. In each of the past ten years, what has been the number of trucks, automobiles, foot passengers carried by the Wood's Island-Caribou Ferry Service?

2. What has been the total contribution by the government to this service in each year?

3. What is the date of the launching of the new ferry?

4. What is the estimated cost of the new ferry?

5. When is it expected that this ship will be in operation?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission reports as follows:

1.

Year	Passengers	Automobiles	Trucks
1962	165,028	48,550	10,276
1963	178,916	55,874	10,400
1964	223,348	70,568	11,918
1965	229,448	73,161	12,412
1966	248,931	79,403	15,270
1967	252,679	79,761	15,474
1968	303,012	94,208	21,217
1969	324,046	95,671	28,178
1970	348,143	102,077	31,356
1971	360,229	103,027	32,253

2.

Year	Subsidy
1962	617,000
1963	620,998
1964	748,882
1965	816,320
1966	830,960
1967	822,621
1968	854,916
1969	1,039,994
1970	1,070,000
1971	1,000,000

The Department of Transport advises as follows:

3. December 6, 1971.

4. $4,734,051.18.

5. The anticipated date is September, 1972.

ACCOMMODATION FOR MEMBERS OF PARLIAMENT

Question No. 166—**Mr. McBride:**

1. Does the government intend to take immediate steps to provide Members of Parliament with sufficient office space to perform their essential responsibilities and, if so, will the government make available such space on Parliament Hill?

[Mr. Marchand (Langelier).]

2. If no adequate space is presently available on Parliament Hill, will the government make adequate office space available to Members of Parliament, on a voluntary basis, off Parliament Hill?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Steps have been taken to produce a solution to this problem but all of the space required cannot be made available on Parliament Hill.

2. Yes. The Government is endeavouring to make available on a voluntary basis, suitable space in nearby Crown-owned accommodation.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—RESERVE HOUSING PROGRAM

Question No. 169—**Mr. Barnett:**

1. In the British Columbia-Yukon region of the administration of the Department of Indian Affairs and Northern Development for each of the two most recent fiscal years, in respect to the off-reserve housing program (a) how many applications were received (b) how many applications were approved (c) were any such applications rejected because of the lack of available funds?

2. In the same region, in respect to the on-reserve housing program, other than "welfare houses" (a) how many applications were received (b) how many applications were approved (c) were any applications rejected because of the lack of available funds and, if so, how many?

3. Of the applications approved, what was the amount of each grant and what was the income level of each applicant to whom a grant was made?

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

1.	1969-70	1970-71
(a)	62	70
(b)	50	60
(c)	No	No
2.		
(a)	7	12
(b)	5	9
(c)	No	No

3. Amounts of grants varied between the amounts of $12,265 to $23,835 and income level ranged between $3,570 to $14,600 per year.

TRAINING OF BRITISH SOLDIERS IN CANADA FOR FIGHTING IN IRELAND

Question No. 176—**Mr. Caouette:**

Does the Canadian government intend to allow or does it allow British soldiers to train in Canada for later fighting in Ireland and, if so, in what manner does the government consider it possible to remain neutral in the conflict between the United Kingdom and Ireland?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Members of the British Armed Forces have trained in Canada on a relatively small scale for the past ten years. In August 1971, an Agreement was signed between the Governments of Canada and of the United Kingdom covering this existing training and providing for increased use of Canadian military training facilities by British soldiers. Under the terms of the Agreement, Brit-

ish training in Canada will involve a range of activities from flying instruction to training in the use of tank guns, artillery and anti-tank weapons. This training is carried out by the British forces within the context of their NATO obligations, and is not designed to enhance their capabilities in support of the civilian authority in Northern Ireland. The Canadian Government has, of course, no control over the subsequent assignment of these or any other British forces outside Canada. This program of training should be viewed in the context of Canadian and British membership in NATO as a part of a long-standing tradition of bilateral co-operation in the defence field.

CFB SUMMERSIDE, PEI—TENDERS FOR INSTALLATION OF FURNACES

Question No. 178—**Mr. McQuaid:**

1. Were tenders called for the installation of warm air furnaces in the permanent married quarters at CFB Summerside and, if so (a) how were tender notices circulated (b) how many tenders were received (c) what are the names of the tenderers (d) what was the amount of each tender?

2. To whom was the contract for installation awarded and at what price?

Hon. James Richardson (Minister of Supply and Services): 1. Yes (a) tenders were invited from all firms in the area known to be in a position to carry out the work. Nine firms were invited; (b) three tenders were received; (c) and (d) Johnston's Limited, Summerside, $15,750; D. B. & J. (1971 Inc.) Charlottetown, $23,700; F. Everett Cameron, Summerside, $15,551.50.

2. Contract for $15,551.50 awarded to the lowest tenderer, F. Everett Cameron.

LOUISBURG, N.S.—PROPOSED AERODROME SITE

Question No. 179—**Mr. Forrestall:**

Has a proposal been made to the government that a small private aerodrome be built in the area near Louisburg, Nova Scotia, to serve industry and to attract tourists who fly their own light aircraft and, if so, what steps will the Minister of Transport take to ensure that all licensing criteria and zoning requirements are met?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): No formal proposal has been made to the Department of Transport that a private aerodrome be built near Louisburg. Interest in such a scheme has been expressed to the Department of Transport by the Louisburg District Planning and Development Commission and by the Canadian Owners and Pilots Association. Regional officials of the Transport Department are providing technical assistance in this matter. If or when a formal proposal is received, the Transport Department will inspect the site and advise the applicant if all licensing criteria and zoning requirements would be able to be met.

STRONTIUM-90 LEVEL IN MILK

Question No. 183—**Mr. Forrestall:**

By region in Canada, what was the strontium 90 level at the end of (a) January 1969 (b) January 1970 (c) January 1971?

Hon. John C. Munro (Minister of National Health and Welfare): The strontium-90 levels, in picocuries per litre of milk are as follows:

	(a) January 1969	(b) January 1970	(c) January 1971
British Columbia	11.7	8.0	7.2
Prairies Provinces	7.3	8.2	6.6
Ontario	9.8	7.4	8.0
Quebec	10.0	8.1	8.4
Maritime Provinces	12.0	10.7	9.7
Newfoundland	14.7	16.0	11.8

REDUCED LANDING FEES AT INTERNATIONAL AIRPORTS

Question No. 184—**Mr. Forrestall:**

1. With respect to the reply to Question No. 132 at page 1277 of *Hansard* dated November 18, 1970, is the government in a position to indicate the results of the program to determine whether reduced landing fees at international airports would attract trans-oceanic flights for technical stop purposes?

2. Did the results of this program indicate the possibility of including the Halifax International Airport on a trial basis or a permanent basis?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. The program of reduced landing fees for technical stop purposes to attract trans-oceanic flights to Canada achieved its objectives at Gander International Airport only.

2. The results of the program indicate little potential for extending the program at this time to Halifax International Airport or any other international airport.

NUMBER OF EMPLOYEES IN DEPARTMENT OF MANPOWER AND IMMIGRATION

Question No. 189—**Mr. Orlikow:**

1. How many full-time employees were on the payroll of the Department of Manpower and Immigration (excluding those engaged in immigration activities), as of April 1, 1966 and April 1, 1971, separately for Ottawa headquarters and elsewhere?

2. How many full-time employees were on the payroll of the National Employment Service as of April 1, 1964, separately for Ottawa headquarters and elsewhere?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): 1. April 1, 1966—Ottawa Headquarters, 563; Field Staff, 5,088; April 1, 1971—Ottawa Headquarters, 953; Field Staff 5,947. It should be pointed out that comparisons between these two time periods may be misleading. Organizational changes took place between 1966 and 1971 which resulted in many positions, related to immigration activities, being transferred elsewhere in the Department. For example, in 1968 130 positions comprising the Immigration registry and stenographic pool were transferred to Departmental Administration.

2. It is not possible for this Department from records available to answer this part of the question. In 1964, the staff of the National Employment Service were associated with those administering the Unemployment Insurance Act and provided from Vote 30 of the Department of Labour.

Questions

PEI—FEDERAL FINANCIAL ASSISTANCE TO CONSTRUCTION OF STARCH FACTORY

Question No. 196—**Mr. MacQuarrie:**

1. Have any requests been made to the Government of Canada for financial assistance in the construction of a starch factory in Prince Edward Island and, if so, what has been the response?

2. Is the Government of Canada assisting in any way in any plans to erect starch factories in the Maritime Provinces as an aid to the potato industry?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Regional Economic Expansion as follows: 1. No.

2. Not at the present time.

NORTHUMBERLAND FERRY SERVICE—ALTERNATIVE LOADING DOCK AT CARIBOU, N.S.

Question No. 205—**Mr. MacLean:**

What action, if any, is the Department of Transport taking to provide an alternative loading dock at Caribou, Nova Scotia, for the Northeumberland Ferry service?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): At this time, the Department of Transport is not considering any alternative loading dock at Caribou, Nova Scotia, for the Northumberland Ferry Service. However, an additional facility including a wharf is being built at Caribou for the fishing vessels and pleasure craft that previously used the ferry dock. This will leave the present loading dock for the use of the Northumberland Ferry Service.

DUTIES OF G. W. DOUCET, PARIS, FRANCE

Question No. 213—**Mr. Yewchuk:**

1. What are the duties of G. W. Doucet while in Paris with the Commodity, Trade Policy Branch of the Department of Industry, Trade and Commerce?

2. What agricultural background, with particular reference to production, has he?

3. What is his salary?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. Mr. Doucet has been seconded from the Commodity Trade Policy Branch of the Department to the Trade Commissioner Service while he is Paris. His duties, therefore are essentially those of a Trade Commissioner and involve the promotion of Canadian agricultural exports in France and reporting on French agricultural developments. In addition, because of his knowledge and experience in agricultural trade policy within the Department, he is also engaged in agricultural trade policy issues arising between Canada and France as well as those relating to the role of France within the European Economic Community.

2. Mr. Doucet has spent several years in the Agriculture Division, Commodity Trade Policy Branch of the Department. During this period, he has dealt with a wide range of problems relating to both domestic and international agricultural policy. Through this work he has familiarized himself with the production and marketing problems and potential of Canadian agriculture.

3. The salary range is $13,434 to $15,725.

[Mr. Perrault.]

TRANS-CANADA COMPUTER COMMUNICATIONS NETWORK

Question No. 217—**Mr. Yewchuk:**

1. What consideration is being given by the government to develop a Trans-Canada Computer Communications Network?

2. What kind of measures will the government take to assure that the trunk computer communications network will be entirely Canadian owned and controlled?

3. What immediate steps are being considered by the government to prevent future takeovers by foreign companies in the computer/communications field?

4. To date, has the government given research and development grants to (a) Consolidated Computer Ltd. (b) IBM Canada Ltd. (c) Control Data Canada Ltd. (d) Univac Division Sperry Rand Corp. and, if so, what amount in each case?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Communications and the Department of Industry, Trade and Commerce as follows: 1. The Government through the Computer/Communications Task Force has a comprehensive set of studies currently underway. These studies are aimed at the orderly, rational and efficient development of the computer utilities concept in a Canadian setting. (The term "Trans-Canada Computer Communications Network" used by the Science Council in their recent report is an appropriate description for one aspect of what eventually could become an integrated network of Canadian computer utilities.) The final report of this Task Force containing its detailed recommendations is expected by the Government by the end of March 1972, at which point the Government will give it consideration.

2. The report of the Computer/Communications Task Force will contain detailed recommendations concerning the necessity for, and appropriate measures to ensure Canadian ownership and control of the Canadian Computer/Communications Network.

3. Pending the receipt of the Computer/Communications Task Force's report, no special steps are currently planned in the field of computer communications to prevent takeovers by foreign companies in this area.

4. As of April 4, 1972, the Department of Industry, Trade and Commerce has given research and development grants under the PAIT Program to: (a) Consolidated Computer Limited, $929,940; (c) Control Data Canada Limited, $6,624,833. No research and development grants have been provided under the PAIT Program to: (b) IBM Canada Limited; (d) Univac Division—Sperry Rand Corporation. Section 13 of the Industrial Research and Development Incentives Act prohibits the divulgence of information concerning any corporation.

CLOSING OF CANADIAN FORCES BASES

Question No. 229—**Mr. Stewart (Marquette):**

1. What criteria or formula are used by the government in determining its base consolidation policy?

2. What is the final formula used in closing Canadian Forces Bases?

3. Is it part of the procedure, prior to making the final decision, to consult with both municipal and provincial authorities in the immediate, affected localities?

4. Does the government consider that defence spending is an effective way of maintaining economic stability, particularly in designated areas of Canada?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence and Regional Economic Expansion as follows: 1. Many factors are taken into consideration in determining base consolidation policy. Some of these are changes in military commitments and international agreements, changes in weapons, availability of resources, reduction in force levels, as well as condition of real property and economy of base operation.

2. When it has been decided that a base should be vacated, a public announcement is made approximately one year in advance of the closure. Operational units are moved to new locations when facilities are available, and military and civilian staffs prepare the base for disposal. If the property is to be declared surplus to Crown Assets Disposal Corporation, the Corporation is alerted to the basic plan. If the base is not disposed of by the closure date, the facilities are placed on a "caretaker status" and a rear party is charged with its security and care after that date. As base activities run down, military personnel excess to requirements are posted to vacancies at other bases and civilian personnel are offered vacancies, if available, elsewhere in the Public Service; and Canada Manpower Centres and the Department of Manpower and Immigration provide assistance for those who do not remain in the public service.

3. Local municipal and provincial officials are advised of the decision before the public announcement is made.

4. Yes, provided the primary purposes of the spending are not jeopardized. Defence spending, like other forms of expenditure can, in principle, be used to help maintain economic stability.

UNITED NATIONS VOTING

Question No. 234—**Mr. Robinson:**

1. Is there a deadline for submissions to the Secretary-General of the United Nations regarding alternative voting schemes and, if so, what is it?

2. Does the government have any information as to the length of time required for research to determine how alternative voting schemes would affect the results of votes in the General Assembly?

3. Will the federal government advise if research will be carried out to determine the influence Canada would have under an alternative voting scheme and, if so (a) who will carry out the research (b) when will it be commenced?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. During the 25th Session of the United Nations General Assembly, a resolution was passed which requested the Secretary-General to invite Member States to communicate to him, before July 1, 1971, their views and suggestions on the review of the Charter of the United Nations. There was no request for submission of specific proposals concerning Charter review.

2. Because of the great number of factors which could be taken into account in any alternate voting scheme, and the diversity of the United Nations membership, an indefinite length of time would be required for research to determine how such schemes would affect the results of votes in the General Assembly.

3. Alternate voting schemes have been examined by some scholars and institutions interested in suggesting changes in UN voting methods. At present the Government has no plans for additional research in this area.

UNITED NATIONS CHARTER

Question No. 235—**Mr. Robinson:**

Has the General Assembly of the United Nations passed a resolution calling on member nations to submit proposals for revision of the United Nations Charter and, if so, will the federal government consider the advisability of making representations to the effect that voting not be based on the one-nation one-vote idea, but rather on the basis of (a) population (b) national wealth (c) standard of living (d) literacy, or some other criteria or combination of these factors?

Hon. Mitchell Sharp (Secretary of State for External Affairs): On December 11, 1970 the United Nations, with Canada casting an assenting vote, passed Resolution 2697 entitled "Need to consider suggestions regarding review of the Charter of the UN." This resolution requested Member States to communicate suggestions on the review of the UN Charter. The Government plans to submit a reply to the Secretary-General, but has not yet decided whether or not comments on an alternative voting scheme will be part of that reply.

UNITED NATIONS CHARTER

Question No. 236—**Mr. Robinson:**

Will the federal government consider the advisability of sponsoring a resolution proposing the revision of the United Nations Charter so that the U.N. response to aggression will be automatic and not the subject of delay through prolonged debate?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The government is not considering sponsoring such a resolution. The UN Special Committee on Defining Aggression has had its mandate extended for a fifth time but an agreement among member states on a definition of aggression does not appear to be forthcoming in the foreseeable future. Until such a definition can be agreed upon it is doubtful if any revision of the UN Charter in this area would be acceptable to the majority of members.

LIBRARY CENTRES

Question No. 247—**Mr. Robinson:**

1. How many Library Centres has Canada throughout the world for cultural exchange and how many additional Library Centres are contemplated?

2. How many Library Centres do other nations have in Canada and where is each located?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Canada has two library centres abroad, one in Mexico City and one in Paris. All Canadian Embassies and High Commissions have libraries of Canadian books, which in most cases are available to the public for consultation. The Embassy in Washington and the High Commission in London maintain large libraries from which

books may be borrowed. No additional library centres are being considered at the present time.

2. The United States Information Service maintains an Information Centre with a library in Ottawa. The Goethe Institute, which is supported by the Government of the Federal Republic of Germany, maintains cultural centres in Ottawa, Montreal and Toronto. The Alliance Française, which receives support from the Government of France, has 23 branches in Canada, which all have libraries. Embassies and High Commissions of many other countries in Ottawa have reading rooms in their chancery premises open to the general public.

FEDERAL ASSISTANCE FOR CONSTRUCTION OF TRANS-CANADA HIGHWAY FROM MONTMAGNY TO NEW BRUNSWICK BORDER

Question No. 252—**Mr. Lambert (Bellechasse):**

During the fiscal year 1971-72, did the federal government give financial aid for the construction of the Trans-Canada Highway from Montmagny, Quebec to the New Brunswick border and, if so, under what agreement and in what amount?

[*Translation*]

Hon. Jean-Eudes Dubé (Minister of Public Works): Yes. Under the terms of the Trans-Canada Highway Agreement whereby payment of accounts for work completed to December 31, 1970, could be claimed, subject to audit, until May 31, 1971. The amount to date during the 1971-1972 fiscal year is $7,506.82.

[*English*]

FAMILY INCOME DISTRIBUTION

Question No. 263—**Mr. Orlikow:**

In the years 1957 and 1967, what percentage of the total money income was received by the (a) lowest one-fifth (b) second lowest fifth (c) third lowest fifth (d) fourth lowest fifth (e) highest fifth of all family units?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: If all families and unattached individuals are ranked by the size of their money income and divided into 5 groups of equal number or quintiles, the share of money income received by each one fifth of family units was estimated to be as follows:

	1957	1967*
Lowest quintile	4.2%	4.2%
Second quintile	11.9%	11.4%
Middle quintile	18.0%	17.8%
Fourth quintile	24.5%	24.6%
Highest quintile	41.4%	42.0%

*Includes farm families who were excluded in the 1957 estimates; their inclusion affects the figures only to the extent of lowering the share of income going to the lower fifths by a few tenths of a percentage point and raising the share of income of the top fifth by thp same figure. It is estimated that if the figures had been completely comparable, the distribution would have been substantially the same.

[Mr. Sharp.]

UNEMPLOYMENT INSURANCE BENEFITS

Question No. 267—**Mr. Hellyer:**

How many persons were drawing Unemployment Insurance benefits as of January 31, 1972?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Information as requested is not available. However, on January 31, 1972 there were 826,996 claimants registered for unemployment insurance benefits.

INTERNATIONAL CIVIL AVIATION ORGANIZATION

Question No. 280—**Mr. Robinson:**

1. How long has Canada been a member of the International Civil Aviation Organization and what are the obligations of membership?

2. How many countries belong to the International Civil Aviation Organization and are individual countries bound by the recommendations of the majority of the membership?

3. Has the ICAO made any recommendations about skyjacking and, if so, what are they?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The International Civil Aviation Organization, located in Montreal, was created by the Convention on International Civil Aviation (the Chicago Convention of 1944) which was signed by Canada on December 7, 1944. ICAO officially came into existence on April 4, 1947, with Canada as a charter member. The aims and objectives of ICAO are to develop the principles and techniques of international air navigation and to foster the planning and development of international air transport so as to: (a) ensure the safe and orderly growth of international civil aviation throughout the world; (b) encourage the arts of aircraft design and operation for peaceful purposes; (c) encourage the development of airways, airports and air navigation facilities for international civil aviation; (d) meet the needs of the peoples of the world for safe, regular, efficient and economical air transport; (e) prevent economic waste caused by unreasonable competition; (f) ensure that the rights of contracting states are fully respected and that every contracting state has a fair opportunity to operate international airlines; (g) avoid discrimination between contracting states; (h) promote safety of flight in international air navigation; (i) promote generally the development of all aspects of international civil aeronautics.

Membership in ICAO obligates states to comply with the provisions of the Convention on International Civil Aviation. Members are also obliged to finance the operation of the Organization through annual assessments; Canada's 1972 assessment is $US278,959.29. Canada, as host government, also underwrites a substantial part of the costs of the space rented for the ICAO Headquarters Building. ICAO has decided to move into new premises in Montreal in late 1973 or early 1974 and the Canadian Government has agreed to make an annual grant of $1.1 million towards the cost of renting this building.

2. One hundred and twenty-two countries are members of ICAO.

There is no mechanism for ensuring that member states adhere to the recommendations of the ICAO Assembly

(all member states) or the ICAO Council (27 member states). Last April the United States of America and Canada co-sponsored a draft convention providing for the enforcement of international legal obligations relating to unlawful interference with civil aviation but the ICAO Assembly transferred this proposal to its inactive list of subjects because of opposition from a number of member states.

3. ICAO has been actively involved with the question of skyjacking and other related matters affecting the safety of international civil aviation for some time. Under ICAO auspices the Convention on Offences and Certain Other Acts Committed on Board Aircraft was signed in Tokyo on September 14, 1963. Canada ratified this convention on November 7, 1969. The Convention came into effect on December 4, 1969.

The Seventeenth Session (Extraordinary) of the ICAO Assembly, held in Montreal from July 16 to 30, 1970, had for its agenda the single item calling for the "development of adequate security specifications and practices, for application by ICAO States in international civil aviation, aimed at the protection of air passengers, civil aviation personnel and civil aircraft by (a) preventing criminal action of any kind that may endanger the safety of air transport and (b) consideration of arrangements under which those responsible for criminal actions endangering civil air transport can be brought to justice." Two Diplomatic Conferences on matters related to skyjacking followed which resulted in: (a) the Convention for the Suppression of Unlawful Seizure of Aircraft signed at The Hague on December 16, 1970; (b) the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation signed at Montreal on September 23, 1971. Canada will ratify The Hague and Montreal Conventions as soon as Parliament approves the necessary amendments to the Criminal Code tabled recently in the House of Commons. Neither of these conventions have beeen ratified by the required number of countries to have it come into effect.

The ICAO Council has also set up a Committee on Unlawful Interference with International Civil Aviation and its Facilities to deal with problems of (1) unalwful seizure of aircraft and (2) sabotage or armed attack directed against aircraft used in international air transport or ground facilities used by international air transport. Canada is not a member of this committee.

MARKET DEVELOPMENT OF GRAINS AND OILSEEDS

Question No. 282—**Mr. Robinson:**

What increase in sales of grains and oilseeds is anticipated as a result of the new federal financial incentives program during 1972-73?

Hon. Otto E. Lang (Minister Responsible for Canadian Wheat Board): The new Federal Market Development Program for Grains and Oilseeds, of which financial assistance to the private sector of the grains industry is a major element, has the twofold aim of maintaining the level of Canadian sales in present markets as well as locating and developing new opportunities in areas where our commercial sales can be increased.

Activities are being concentrated on those markets in which we believe prospects are best for establishing a solid commercial footing. Because the central thrust of the program is to assist private firms, associations and similar entities to identify and develop viable commercial market opportunities, the increase in sales resulting from the program will be the cumulative total of the results of all the individual projects. Until more experience is gained in the execution of such projects it is not possible to anticipate with any precision what that total will be during 1972-73.

Although in a limited number of cases the impact of projects may be indirect and therefore difficult to measure in terms of increased sales, in most instances the sponsors of projects are required to show convincing evidence that support of their project will yield a very high ratio of benefit (i.e. a sustained increase in Canadian grains and oilseeds sales) in relation to cost.

FEDERAL ASSISTANCE TO CARRY OUT PROGRAM CONCERNING HARD-CORE WELFARE RECIPIENTS

Question No. 283—**Mr. Robinson:**

1. Will the government consider the advisability of providing municipalities with support funds to carry out a program regarding hard-core welfare recipients who have previously been rejected from employment and are considered unemployable?

2. Will the government consider the advisability of providing incentives to welfare recipients to become gainfully employed?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Under Part III of the Canada Assistance Plan, the federal government will share in the cost to provinces and municipalities of undertaking work activity programs to prepare for the entry or the return to employment of persons in need or persons likely to become persons in need who, because of environmental, personal or family reasons, have unusual difficulty in obtaining or retaining employment or in improving, through technical, vocational or rehabilitation programs, their ability to obtain or retain employment.

2. Provincial legislation defines the levels of income and assets permitted welfare recipients, and the trend is to provide larger earning exemptions for recipients who work.

METRIC SYSTEM

Question No. 288—**Mr. Robinson:**

Will the government advise if the program for introduction of the metric system will be co-ordinated with that of other countries embarking on the same system and in particular with that of the United States?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Metric Commission is keeping in close touch with the developments in the United States and other countries in regard to the adoption of metric standards and measurements and is studying the extent to which programs of conversion in individual industries will require to be co-ordinated with similar programs in the United States.

Questions

FEDERAL ASSISTANCE TO PROVIDE LANGUAGE TRAINING OTHER THAN FRENCH AND ENGLISH

Question No. 289—**Mr. Robinson:**

Under the multicultural policy, will the government allot funds to provide language training in languages other than French and English?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Not at present. This matter is under investigation in a study of a Culture Development Program referred to in the document tabled in the House by the Prime Minister on October 8, 1971, and is being discussed with provincial governments.

[*English*]

EMPLOYMENT SUPPORT ACT

Question No. 290—**Mr. Robinson:**

Under the Employment Support Act (a) how many applications were made (b) how many were accepted (c) how much money was paid (d) how many jobs were affected and received support?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): As of March 10, 1972: (a) 1,021 applications were received by the Employment Support Board; (b) 710 applications were approved; (c) total amount approved: $10,025,728; (d) the number of jobs directly supported by the above grants, 20,055.

COMPULSORY ARBITRATION FOR DISPUTES IN ESSENTIAL SERVICES

Question No. 301—**Mr. Robinson:**

Will the government consider the advisability of providing compulsory arbitration for disputes in essential services?

Hon. C. M. Drury (President of the Treasury Board): Compulsory arbitration for disputes in essential services would require an amendment to the Public Service Staff Relations Act. The Government has undertaken a review of that Act, but it has not been decided yet what amendments, if any, will be presented to Parliament for approval.

FOREIGN COINAGE MINTED IN CANADA

Question No. 307—**Mr. Robinson:**

1. Do any foreign countries have their coinage minted in Canada and, if so (a) how many (b) what was the value to Canada of such minting (c) were the services paid for in the coinage of the realm requiring them?

2. Is all such minting carried out by the Royal Canadian Mint or does private enterprise provide any minting facilities for foreign countries?

Hon. James Richardson (Minister of Supply and Services): In so far as the Royal Canadian Mint is concerned: 1. (a) In 1970, the Mint produced 20 million 10-cent coin blanks for the Singapore Mint. It also obtained a two-year contract with Brazil for the production of approximately 175 million 50 centavo coin blanks. This contract will be completed in May, 1972.

In 1971, the Mint struck 2.5 million 1 Kroma coins for Iceland and 2 million 5 fils coins for Yemen.

[Mr. Howard (Okanagan Boundary).]

In 1972, the Royal Canadian Mint is striking the $10 silver and the $20 gold commemorative coins for Jamaica. (b) Income to Mint: Singapore, $43,550; Brazil, $3,930,000 (approximately); Yemen, $18,705; Iceland, $22,750; Jamaica, $600,000 (estimated). (c) Payment required in Canadian or U.S. funds.

2. Private mints may strike foreign coins.

CFB, SUMMERSIDE, PEI—INSTALLATION OF COUNTER TOPS AND SINKS

Question No. 323—**Mr. McQuaid:**

Were tenders recently called for the installation of counter tops and sinks at the Canadian Forces Base at Summerside, Prince Edward Island and, if so (a) how many tenders were received (b) from whom were they received (c) what was the amount of each tender (d) to whom was the contract awarded (e) in what manner were the tender calls advertised?

Hon. James Richardson (Minister of Supply and Services): Yes. (a) Three. (b) and (c) Provincial Enterprises Inc., Summerside, $15,852; Northumberland Construction Ltd., Abram's Village, P.E.I., $13,465; Sherman Construction Co., Summerside, $10,394. (d) Contract awarded to the lowest tenderer, Sherman Construction Co. on February 28, 1972. (e) Tenders were invited from all nine firms in the area which were considered to be in a position to carry out the work required.

PURCHASE OF CORRECTION FLUID

Question No. 325—**Mr. McQuaid:**

1. For the period February 1 to 15, were any contracts awarded for the sale of correction fluid to any departments and, if so (a) were tenders called prior to the awarding of such contracts and, if so (i) how many tenders were submitted (ii) what was the amount of each tender (iii) in what way were they advertised (b) to whom was the contract awarded (c) how many gallons of correction fluid were involved?

2. When was the last contract awarded for the supplying of correction fluid, what was the amount of the contract and how many gallons of fluid were involved?

Hon. James Richardson (Minister of Supply and Services): 1. Yes. (a) Yes. (i) Three; (ii) $29,970; $30,520 and $31,199; (iii) Tenders were invited from all firms considered to be in a position to supply. (b) Contract awarded to the lowest bidder, Apsco Products (Canada) Ltd., Toronto on February 2, 1972. (c) The contract calls for 67,824 one ounce bottles.

2. The previous contract for 44,064 one ounce bottles of correction fluid was awarded on July 16, 1971 in the amount of $21,150 to the lowest bidder, Dixon Pencil Co., Newmarket, Ont.

PURCHASE OF BALL POINT PENS

Question No. 326—**Mr. McQuaid:**

1. For the period February 1 to 15, were any contracts awarded for the sale of ball point pens to any departments and, if so (a) were tenders called prior to the awarding of such contracts and, if so (i) how many tenders were submitted (ii) what was the amount of each tender (iii) in what way were they advertised (b) to whom was the contract awarded (c) how many ball point pens were involved?

2. When was the last contract awarded for the supplying of ball point pens, what was the amount of the contract and how many pens were involved?

Hon. James Richardson (Minister of Supply and Services): 1. Yes. (a) Yes. (i) Three; (ii) $66,594; 69,015; 85,119; (iii) Tenders were requested from all firms considered to be in a position to supply. (b) The contract was awarded on February 3, 1972 to the lowest bidder Eagle North-Rite, Ltd., Montreal for $66,594. (c) 1,452,960 pens.

2. The previous contract for 364,320 ball point pens was awarded on June 25, 1971 in the amount of $18,216 to the lowest bidder, Venus Pencil Co. Ltd., Toronto.

GOVERNMENT ASSISTANCE TOWARDS CONSTRUCTION OF OVERHEAD BRIDGE AT GOLDEN, B.C.

Question No. 332—**Mr. Stewart (Okanagan-Kootenay):**

Did the government contribute towards the construction of a recently completed overhead bridge at Golden, British Columbia and, if so, in what amount?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: The Railway Transport Committee authorized the construction of two overhead bridges at Golden B.C. at the following locations: Golden Access Road, mileage 35.3 Mountain Subdivision C.P.R.—Order No. R-577 dated November 14, 1967; and, Highway No. 95, mileage 165.6 Windermere Subdivision C.P.R.—Order No. R-1277 dated January 30, 1968 and R-9066 dated June 9, 1970. A contribution from the Railway Grade Crossing Fund in the amount of $500,000 was authorized for each project. However, accounts for these projects have not been submitted and no payments have been made.

INCENTIVE GRANTS FOR FACILITIES IN OKANAGAN, EAST AND WEST KOOTENAY REGIONS

Question No. 334—**Mr. Stewart (Okanagan-Kootenay):**

1. How many grants were authorized under the Area Development Incentives Act for facilities in the Okanagan area of British Columbia, and what is the total amount of these grants?

2. Under the Regional Development Incentives Act, how many grants have been authorized by the Department of Regional Economic Expansion for facilities in (a) the East Kootenay (b) the West Kootenay regions?

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1. Fifty-seven; $19,244,139 total incentive.

2. (a) eight; (b) nine.

CANADA STUDENT LOANS PLAN

Question No. 339—**Mr. Hales:**

1. How many student loans have been returned to the government from chartered banks as uncollectable for each year from the inception of the Canada Student Loans Plan to March 31, 1971?

2. For what amounts are these loans?

3. For what reasons were they written off as uncollectable?

4. What amount was collected by professional collection agencies and what percentage does the government pay for this professional collection service?

Questions

5. In cases where the borrower cannot be located, what methods were used to try and locate this person?

Hon. John N. Turner (Minister of Finance) 1 and 2. As of June 30, 1971 the following number of claims, listed according to the year in which they were paid, had been submitted by chartered banks and other lenders in respect of defaulted loans:

Loan Year	No.	$(000)
1965/66	7	7
1966/67	110	109
1967/68	198	210
1968/69	349	396
1969/70	1318	1496
1970/71	3285	4983
Total	5267	7201

3. No defaulted loans have been written off.

4. As of June 30, 1971, $623,844 was collected by the commercial collection agency. The current fee payable is 20 per cent of amounts recovered.

5. The collection agency is responsible for locating missing borrowers. It uses all available facilities at its disposal through its branches located throughout Canada and its affiliations in other countries.

NUMBER OF CLAIMS UNDER CANADA PENSION PLAN SINCE INSTITUTION OF DISABILITY PENSIONS

Question No. 364—**Mr. Macquarrie:**

1. Since the institution of disability pensions under the new Canada Pension Plan of February, 1970, how many claims were received by the Department of National Health and Welfare?

2. How many of these claims were (a) accepted (b) rejected?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Up to the end of February, 1972, 25,100.

2.(a) 13,696; (b) 7,190. Some of the applications rejected had not met the required minimum qualifying period of five years of contribution to the Plan, and thus were not rejected on medical grounds. In addition, 4,214 applications, most of which were received recently, are now being processed. Some are waiting special reports and other information.

ALLOCATION OF GROSS NATIONAL PRODUCT

Question No. 369—**Mr. Robinson:**

Will the government consider carrying out a study as to the percentage of the Gross National Product that should be allocated to each level of government, federal, provincial and municipal?

Hon. John N. Turner (Minister of Finance): Each level of government, federal, provincial and municipal, spends whatever amounts are deemed appropriate and voted by the respective Houses of Parliament, Legislatures or Municipal Councils. The amount of spending voted by these representative bodies is determined independently by the political process in each jurisdiction. The federal government cannot decide what proportion of the Gross

National Product should be spent by any level of government.

AUTOMOBILE SAFETY BELTS

Question No. 375—**Mr. Robinson:**

1. Is any research being carried out to provide a more dependable safety belt for automobiles than the lap or shoulder belt now provided?

2. Do the present lap and shoulder belts installed in automobiles meet the government standards of safety?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. There is no substantial evidence suggesting that seat belts currently provided in new Canadian automobiles require modification to improve dependability. However, there is a continuing surveillance program on seat belt performance in automobile collisions to detect possible design problems requiring attention. Considerable research is being carried out to develop means of encouraging increased seat belt usage through convenience changes and the addition of warning devices.

2. Yes.

NATIONAL RESEARCH COUNCIL LIBRARY

Question No. 376—**Mr. Robinson:**

1. What is the number of publications and books of reference material in the National Research Council Library?

2. What is the yearly cost to maintain this service?

Hon. C. M. Drury (President of the Treasury Board): In so far as the National Research Council of Canada is concerned the answer is as follows: 1. 875,000 at December 31, 1971.

2. $2,303,310 for fiscal year 1970-1971.

SALE OF HMCS *BONAVENTURE*

Question No. 383—**Mr. MacRae:**

What amount was received for *HMCS Bonaventure* upon its disposal?

Hon. James Richardson (Minister of Supply and Services): The Crown Assests Disposal Corporation sold the HMCS Bonaventure to the highest bidder for $851,700. Prior to the sale of the Aircraft Carrier, the Department of National Defence removed from the vessel recoverable items with a value of approximately $5,000,000.

LOCATIONS OF PROPOSED ROADS TO BE BUILT UNDER ARDA PROGRAM IN ABITIBI AND TÉMISKAMINGUE CONSTITUENCIES

Question No. 393—**Mr. Laprise:**

What locations are proposed for roads that are to be built giving access to Crown forests in the constituencies of Abitibi and Témiskamingue under the ARDA program and by whom were the locations selected?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Under the ARDA agreement which has been signed with the Province of Quebec, it is proposed to build the following roads in the constituencies of Abitibi and Témiscaminque: (1) road to Kipawa forest; (2) road to Megiscane forest; (3) road to La Sarre forest; (4) road to Matagami forest. The last two locations are subject to consultations with La Société de Développement de la Baie James, but the locations in each case have been selected by the Province of Quebec.

[*English*]

SASKATCHEWAN—TREATMENT CENTRES

Question No. 399—**Mr. Knight:**

1. What was the expenditure for the Regina Treatment Centre for veterans in Saskatchewan during the last year of its operation?

2. In the same time period, what was the expenditure by the government for the Saskatoon Treatment Centre for veterans?

3. What was the reason for the closure of the Regina Treatment Centre?

4. Have there been additional expenditures for the Saskatoon Treatment Centre since it began operating for all of Saskatchewan and, if so, in what amount?

5. What was the number of staff in the Regina Treatment Centre?

6. What was the number of staff in the Saskatoon Treatment Centre?

7. Was additional staff hired for the Saskatoon Treatment Centre after the closure of the Regina Treatment Centre and, if so, how many?

8. What provisions have been made to avoid delay and inconvenience to veterans who normally went to the Regina Treatment Centre?

Hon. Arthur Laing (Minister of Veterans Affairs): 1. $750,000.

2. $904,000.

3. The Centre has not been closed.

4. Although the financial administration of the Regina Treatment Services District was transferred to Saskatoon, it was necessary to transfer only one individual at a salary of approximately $7,000. Additional expenditures for the Saskatoon Treatment Centre as a result of the reorganization of the Regina District have therefore been negligible.

5. Prior to reorganization the number of staff at the Regina Treatment Centre was 12. The remaining staff, including the Senior Treatment Medical Officer, is five.

6. The number of staff in the Saskatoon Treatment Centre has remained at 67 in spite of the transfer of one individual from Regina.

7. No.

8. There have been no reports of delay or inconvenience to veterans who continue to be looked after by the DVA staff of the Treatment Services in Regina.

MOTORCYCLE BRAKE SAFETY STANDARD

Question No. 404—**Mr. Mather:**

Is consideration being given to establishing performance requirements for motorcycle brake systems under motor vehicle safety standards legislation?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Yes.

NEW ARRANGEMENTS FOR BANK EMPLOYEES' PENSIONS

Question No. 411—**Mr. Fairweather:**

Will the Minister of Finance suggest to Canadian banks that new arrangements appear to be justified to supplement amounts paid to retired bank employees on pension in view of the fact that bank profits have been substantial lately?

Hon. John N. Turner (Minister of Finance): It would not be appropriate to make any suggestions to Canadian banks in this matter over which the Minister of Finance has no jurisdiction. It is believed that Canadian banks have taken steps to supplement the pensions paid to former bank employees who have been retired for a considerable period of years.

CONSTRUCTION OF MULTI-PURPOSE EXHIBITION BUILDINGS

Question No. 432—**Mr. Gleave:**

1. How much of the $10 million for the program for the construction of multi-purpose exhibition buildings announced by the Minister of Finance in the House on October 14, 1971, has been allocated?

2. What is the provincial allocation of money under this program?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): 1. $1,380,000.

2. Nil. Each application is assessed on its own merit, with due consideration given to the needs of the community.

ALLOCATION OF $160 MILLION SPECIAL LOAN PROGRAM

Question No. 447—**Mr. Rowland:**

1. How much of the $160 million for the special loan program to provinces announced by the Minister of Finance in the House on October 14, 1971, has been allocated?

2. What is the allocation, by province, of money under this program?

Hon. John N. Turner (Minister of Finance): 1. and 2. All of the funds have been allocated to the provinces as detailed in Vote L192 of the Department of Finance in the Supplementary Estimates (A) for the fiscal year ending March 31, 1972, tabled on November 19, 1971.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

CROWN CORPORATIONS—EMPLOYMENT OF INDEPENDENT ACCOUNTANTS

Question No. 10—**Mr. Ryan:**

1. Which Crown corporations and other emanations of the Crown in the right of Canada employ or retain independent accountants and/or firms of accountants to service or audit their accounts?

2. What are the names of such accountants or firms of accountants who have serviced or audited each of such corporations and emanations in the past five fiscal years and what payments have been made to each of them by such corporations, emanations or the government in each of such fiscal years?

3. What payments will be made to each of them for the current fiscal year?

Return tabled.

MANPOWER MOBILITY PROGRAM—RELOCATION REQUESTS

Question No. 92—**Mr. Laprise:**

Since the coming into force of the Manpower Mobility Program, pursuant to Order in Council P.C. 1965-2215 of December 13, 1965 (a) how many relocation requests were submitted by residents of each province (b) how many of these requests were approved (c) what amount was paid in each province?

Return tabled.

FEDERAL ASSISTANCE TO PROVINCES FOR EMERGENCY WINTER WORKS PROGRAMS

Question No. 167—**Mr. Dinsdale:**

1. How much money has been loaned to the provinces each year since 1969 for emergency winter works programs?

2. What has been the allocation to each province for the above years?

3. What are the terms of repayment?

Return tabled.

PEI—FEDERAL ASSISTANCE FOR ROADS IN YEARS 1968-71

Question No. 204—**Mr. MacLean:**

1. How many miles of road paid for in whole or in part by the federal government under an agreement with the Government of Prince Edward Island were paved in each of the fiscal years 1968-69, 1969-70 and 1970-71?

2. What percentage of the cost of the roads was borne by the federal government?

3. What was the cost to the federal government in each fiscal year?

4. Did the federal government require, as a condition, that certain standards for erosion control on the right-of-way be met and, if so, was it met by the Government of Prince Edward Island when these roads were paved?

5. Has any assessment been made by the Department of the Environment to determine the extent of the damage done by erosion to the lands and streams adjoining these roads?

Return tabled.

PENSION FUNDS ADMINISTERED BY GOVERNMENT

Question No. 266—**Mr. Rodrigue:**

1. How many pension funds are administered by the government or agencies on behalf of government employees, agencies or Crown corporations?

2. What are the names of the pension funds?

3. How many persons are contributors?

4. What are the assets of each fund?

5. What was the amount of benefits paid during the 1970-71 fiscal year?

6. What was the percentage of increase of the assets in 1970-71 compared to the previous year?

Return tabled.

Motion to Adjourn

CONTRACTS AWARDED FOR SUPPLYING OF FILE FOLDERS TO GOVERNMENT DEPARTMENTS

Question No. 324—**Mr. McQuaid:**

For the period February 1 to 15, were any contracts awarded for the supplying of file folders to any departments and, if so (a) were tenders called prior to the awarding of such contracts and, if so (i) how many tenders were submitted (ii) what was the amount of each tender (iii) in what way were they advertised (b) to whom were the contracts awarded (c) how many file folders were involved?

Return tabled.

FEDERAL-PROVINCIAL EMPLOYMENT LOANS PROGRAM—NUMBER OF BRITISH COLUMBIA PROJECTS

Question No. 335—**Mr. Stewart (Okanagan-Kootenay):**

Under the Federal-Provincial Employment Loans Program administered by the Department of Regional Economic Expansion (a) how many projects in British Columbia have received approval to date (b) what is the approximate cost of these projects (c) what specific projects in British Columbia have been approved (d) what is the total amount of the project loan in each instance?

Return tabled.

• (1410)

MOTION TO ADJOURN UNDER S.O. 26

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NATIONAL ASSOCIATION OF BROADCAST EMPLOYEES AND TECHNICIANS

Mr. David Lewis (York South): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the serious damage to the performance and future of the Canadian Broadcasting Corporation, a public institution of vital importance to Canada largely supported by public funds, being caused by the failure of the corporation to reach a settlement with its striking employees despite the fact that negotiations with the National Association of Broadcast Employees and Technicians commenced almost a year ago and that rotating strikes have continued for nearly four months.

Mr. Speaker: The hon. member for York South has given the Chair due notice of his intention to request leave to move a motion to adjourn the House for the purpose of discussing the specific matter stated by him.

There is little doubt that the matter stated by the hon. member is important and of current concern to Canadians and, of course, to members of the House. At the same time, it is suggested that the matter has been raised on a number of occasions during the course of the current session. The hon. gentleman will recall, for example, that he posed a question on it in the sitting of February 21 last. Since that time the same difficulty has been raised in the House in various other ways. For example, on March 16 the matter was discussed during the adjournment proceedings on the initiative of the hon. member for Fraser Valley West, and a reply was given by the Secretary of State.

It may be that in due course it will be necessary or desirable to have the House debate the question of this dispute, but it does seem to me that a motion under Standing Order 26 is not, at this moment, a suitable vehicle for such a debate. As this problem has been pending for a period of several months, it does not appear to meet the provisions of Standing Order 26 which requires that a matter proposed for discussion must relate to a genuine emergency calling for immediate and urgent consideration. It might be added that when determining whether a matter shall have urgent consideration Mr. Speaker shall have regard to the probability of the matter being brought before the House within reasonable time by other means.

The decision I make at this time that the motion cannot be granted does not preclude the matter being brought forward again under Standing Order 26 at a later date. I am just making a procedural ruling to the effect that in my estimation the motion at this time does not meet all the requirements of Standing Order 26.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—DISCUSSION WITH PRESIDENT NIXON DURING VISIT—DATE OF ANNOUNCEMENT OF POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister about the government's policy on foreign investment which was decided upon some months ago, although it has not yet been announced. Was the specific policy discussed by the Prime Minister and the President of the United States during his recent visit, or was it discussed at some less exalted level during the visit of the delegation? If it was discussed, will the Prime Minister very briefly indicate the results of such discussions?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, there were no discussions whatsoever on the policy.

Mr. Stanfield: Mr. Speaker, I should like to ask the Prime Minister whether the government is now prepared to release its policy which was decided upon a number of months ago? Is the government now prepared to announce its policy with regard to foreign investment?

Mr. Trudeau: Preparations have been continuing, as the Leader of the Opposition suggests, and we hope we will be in a position to release that policy.

Mr. Stanfield: Mr. Speaker, if I am persistent it is because of the unemployment in the country, the failure of investment to respond and the importance of removing any uncertainties. I would ask the Prime Minister what assurance he is prepared to give the House with regard to

a definite time within which the government's policy on this very important subject will be announced.

Mr. Trudeau: No specific assurance as to time, but the policy announcement will come soon.

FOREIGN INVESTMENT—REASONS FOR DELAY IN ANNOUNCING POLICY

Mr. David Lewis (York South): Mr. Speaker, may I ask the Prime Minister whether the delay in announcing the policy on foreign investment is caused by editing of the background paper or is the reason for the delay that legislation and criteria for the screening agency are being prepared?

Right Hon. P. E. Trudeau (Prime Minister): A variety of things which, all together, will make up the totality of the government's announcement in this area.

* * *

TRADE

CANADA-UNITED STATES—POSSIBLE RESUMPTION OF NEGOTIATIONS— DISCUSSION WITH PRESIDENT NIXON DURING VISIT

Mr. David Lewis (York South): Mr. Speaker, with regard to the meeting of the Prime Minister with the President of the United States may I ask the right hon. gentleman whether there was any discussion of the trade negotiations in view of the statement made by Mr. Ziegler, I believe, that the President and the Prime Minister had agreed to review their positions. Was that statement the result of a discussion between the two heads of government on the specific matters in the trade negotiations?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the President and I did discuss trade matters and the matter of imbalance of trade. The President stated publicly his position on a long-term imbalance. He stated to me that he felt the present deadlock between the two countries should be broken out of and both of us agreed to review our positions with a view to resuming negotiations, if possible.

Mr. Lewis: Does the agreement to resume negotiations to break out of the deadlock mean that the Prime Minister informed the President of the United States that the government of Canada is prepared to grant some of the concessions or parts of some of the concessions that the United States negotiators are demanding, and did the President continue to demand that the present imbalance between Canada and the United States must be corrected, disregarding his general statement about the future which of course anyone would have to grant to any country in the world?

Mr. Trudeau: In the short-term, Mr. Speaker, the President did spell out the type of problem the United States is meeting at the present time with its balance of payments and expressed the hope which has been there since last August that various countries would help or would contribute to the United States in its effort to improve its present economic situation. I repeated that it was Canada's intention to contribute in any way we could to the improvement of their position, knowing full well that a healthy economy in the United States is pretty important to Canada. But as to the concrete aspects of what this meant on his side and on our side, we did not enter into any great details. The President showed no desire to go into the details of the negotiations, nor did I. We both agreed it would be important to prevent this non-resolution of the situation from hardening. We both agreed, as I said, that we should each review our own position.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary for the Prime Minister. During President Nixon's visit did the President advise the Canadian government that the position of the United States government as outlined by Secretary Connally on February 9 in the following words, that "the United States will seek appropriate means of reducing imbalances of trade with Canada", has changed in any way and, if so, in what way has the United States position changed?

• (1420)

Mr. Trudeau: Mr. Speaker, the President did not refer to this statement by Secretary Connally. As I just said to the leader of the New Democratic Party, we talked of the desire on both sides to resume negotiations. We thought that the best way of doing it was for each of us to tell our people—I assume President Nixon will tell Mr. Connally that he should review the package—that we should review the package, which we will do.

Mr. Hees: Did President Nixon assure the Canadian government that the American government does not intend to take unilateral action to correct the imbalance of trade, such as adding a 7 per cent tax on new Canadian cars entering the United States or cancelling the exemption from the interest equalization tax which Canada now enjoys, as has been widely rumoured?

Mr. Trudeau: The President of the United States made no threats to Canada, Mr. Speaker, nor did I make any threats to the United States.

Mr. Hees: Did the Prime Minister not bring up these very important matters with the President, or did he just indulge in pleasantries meaning nothing but I hope my people will vote for me and I hope I can help you get elected?

Mr. Trudeau: Mr. Speaker—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Spadina.

CANADA-UNITED STATES AUTO PACT—POSSIBLE REVIEW OF CANADIAN POSITION FOLLOWING PRESIDENT NIXON'S VISIT

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my supplementary question is directed to the Prime Minister. As a result of the talks with President Nixon, is the government now reviewing its position on the auto pact and, if so, can the Prime Minister say when a new position will be defined and made public?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did undertake to look at everything that was in our package to see if it could be changed or modified in some way which would be more acceptable to the United States and no more damaging to Canada. There was no timing set on that and there was no specific mention of what aspects of the package we would look at. I repeat, the agreement was as general as I said in my first answer. It is that we would look at our negotiating positions, and neither the President nor I went into any great detail as to what this meant other than to see if it could be possible to renew negotiations fruitfully.

Mr. Ryan: Has the Prime Minister given any direction to the relevant departments in this respect with regard to the auto pact?

Mr. Trudeau: Mr. Speaker, the relevant ministers were informed of the substance of my talks with the President and I assume that this work is being done.

CANADA-UNITED STATES—DATE OF RESUMPTION OF NEGOTIATIONS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question. The Prime Minister has suggested that the total packages are going to be reviewed. Was there an agreed upon date or a tentative date that the discussions should, hopefully, be resumed, or was a date arranged between the Prime Minister and the President at which time they would be able to convey to each other whether or not negotiations would be able to begin again soon?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, no date was discussed.

DISCUSSION OF UNITED STATES ANTI-TRUST AND TRADING WITH ENEMY LAWS DURING PRESIDENT NIXON'S VISIT

Mr. David MacDonald (Egmont): Mr. Speaker, in light of President Nixon's speech on Friday and the agreement to review trade positions, has the United States government agreed to review its anti-trust and trading with the enemy laws in view of the intruding effect they have on Canadian economic independence?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not know the question was directed to me but I think I caught the gist of it. There was certainly no agreement along those lines between the President and myself.

Mr. MacDonald (Egmont): Can the Prime Minister indicate whether these important issues were raised—

Mr. Trudeau: What was that?

Mr. MacDonald (Egmont): Can the Prime Minister indicate whether these important issues having to do with trading with the enemy and anti-trust laws that from time to time affect Canada's economic position were raised and whether there will be a vehicle for the resolution of these important problems?

[Mr. Ryan.]

Mr. Trudeau: Mr. Speaker, I believe the hon. member is distinguishing between important problems, and they are indeed, which are very frequently discussed between our officials and ministers both in Washington and Ottawa, but I repeat that they were not raised at the level of talks between the President and myself on Thursday or Friday.

CANADA-UNITED STATES—ITEMS IN CANADIAN PROPOSALS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, we hear a great deal about packages. I wonder whether it would be possible for the Prime Minister to let the House of Commons know what matters were included in the Canadian package, because up to now it has been as silent as Pandora's box until opened?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the right hon. member is asking me for more than the President asked me. There was no discussion of the detailed contents of the package. However, I think that through a process of questioning certain answers have been obtained from the Minister of Industry, Trade and Commerce as to so-called irritants, both on the American side and on our side. I am afraid I would have to refer the right hon. member to his answers in *Hansard* with regard to what those were.

Mr. Diefenbaker: Mr. Speaker, I follow *Hansard* very carefully, I have been in the House, and this has never been revealed. The Prime Minister was talking about exchanging packages and diminishing one claim or another in return for something else, a *quid pro quo*. Could he not summarize—1, 2, 3, 4, 5—what these items were in this package so that Canadians as a whole would know what kind of package it really is?

Mr. Trudeau: Mr. Speaker, I think some Canadians have been astute enough to assume, for instance, that the auto pact was one of the items discussed in the package. Perhaps with a further degree of astuteness and a re-reading once again of *Hansard*, the right hon. member will observe other elements in the package that were mentioned by the minister.

Mr. Diefenbaker: Mr. Speaker, I am no mind reader even though the Prime Minister assumes I am.

Mr. Speaker: Order, please. I will return to the hon. member for Calgary North and other hon. members who I gather have supplementaries, but as we are still on the first topic I propose to recognize the hon. member for Vancouver-Kingsway and then a representative of the party to my extreme left.

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EXTERNAL AFFAIRS

VIET NAM WAR—DISCUSSION WITH PRESIDENT NIXON DURING VISIT

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish to ask about another aspect of the talks. In view of the recent bombing of Haiphong and other

events escalating the war in Viet Nam, was there any discussion between the Prime Minister and the President of the United States of the war in Viet Nam and the possibility of bringing it to a conclusion quickly?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the President did discuss the position of his government as regards Viet Nam and he did repeat to me what is public knowledge, that he was committed to a policy of a negotiated settlement in Viet Nam with continued withdrawal of United States troops.

Mr. Lewis: As a supplementary—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Calgary Centre on a supplementary.

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AIR TRANSPORT

RENEGOTIATION OF TREATY WITH UNITED STATES RESPECTING ROUTES—DISCUSSION WITH PRESIDENT NIXON DURING VISIT

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of the fact that western Canada, particularly Calgary and Edmonton, is badly in need of more air routes, and as the renegotiation of the bilateral air treaty with the United States which was supposed to take place in 1969 has not been concluded, was this question discussed with President Nixon when he was here last week?

Right Hon. P. E. Trudeau (Prime Minister): It was not discussed with me. I do know that officials have been discussing this problem, but I do not know whether they discussed it at this recent meeting.

Mr. Harkness: Will the Prime Minister look at this situation personally with a view to securing speedy action in view of the long delay in regard to the matter?

Mr. Trudeau: Mr. Speaker, I believe the Minister of Transport has shown the degree to which he is committed to that very policy, but it is a matter, as the hon. member knows, of trying to get as good a bargain as possible for our country in negotiating these routes.

* * *

ENERGY

PROPOSED PIPELINES FROM NORTH—ACCELERATION OF TRADE IN PETROLEUM AND NATURAL GAS—POLLUTION THREAT—DISCUSSION WITH PRESIDENT NIXON DURING VISIT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in light of the Prime Minister's answer to me on Thursday and in light of his answer today to the right hon. member for Prince Albert I would like to ask the Prime Minister whether there were any discussions with the President, or between officials when the President was visiting Ottawa, in reference to pipelines—I will not refer to the two routes because the Prime Minister knows what routes I am talking about—and in particular was there discussion of any policies to accelerate trade in energy products, namely, crude petroleum and natural gas?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in a very general sense, yes, the problem was raised. I did raise, in front of the President, the important question of energy and the Canadian policy on energy as we would be trying to develop it. The President also raised the pollution aspect of the transportation of oil and told me that he was well aware of the situation, but at our level we did not go into the problem in any great detail. I do know that the Secretary of State for External Affairs at his level was raising this problem with Secretary Rogers.

• (1430)

Mr. Woolliams: May I ask a further supplementary dealing particularly with the matter of pollution. Did the Prime Minister make the Canadian position clear on the question of danger of pollution to the west coast and set out, from the study that the Minister of Energy, Mines and Resources mentioned on Thursday, that if there is to be a transport route Canada prefers a pipeline down the Mackenzie? Was that position made clear to the Americans at that time?

Mr. Trudeau: Mr. Speaker, the danger of pollution was indeed made very clear to the Americans by the government. I might add that, apart from the Secretary of State for External Affairs, the Minister of Energy, Mines and Resources was also present at the meeting with Secretary Rogers when this subject was discussed.

* * *

TRADE

POSSIBLE EXCHANGE OF UNITED STATES GRAINS FOR RUSSIAN OIL AND GAS—DISCUSSION WITH PRESIDENT NIXON DURING VISIT

Hon. Robert L. Stanfield (Leader of the Opposition): I have a further question for the Prime Minister, Mr. Speaker, in connection with his talks with President Nixon and arising out of reports from Washington that consideration is being given there to negotiating a deal with Russia whereby the United States would take oil or gas in exchange for U.S. feed or other grains. Can the Prime Minister tell the House whether this subject, which is of great importance to Canada, was discussed by himself and the President or at any level during the visit?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, if I might be permitted to reply to that question, I did raise the subject with Secretary Rogers and I was informed that there was no sort of barter deal contemplated and that if oil or gas were to be purchased from the Soviet Union it would be part of the ordinary trade carried on between the two countries.

Inquiries of the Ministry

EXTERNAL AFFAIRS

VIET NAM WAR—INQUIRING AS TO REPRESENTATIONS BY PRIME MINISTER TO PRESIDENT NIXON CONCERNING ACCELERATED U.S. BOMBING

Mr. David Lewis (York South): I should like to ask a supplementary question of the Prime Minister, Mr. Speaker, with regard to the war in Viet Nam. In his answer to the hon. member for Vancouver-Kingsway the Prime Minister informed us that the President had made his position clear, which I need not repeat. Did the Prime Minister raise any protest to the President of the United States about the accelerated bombing of North Viet Nam, particularly that which has gone so deeply into North Viet Nam at Hanoi and Haiphong? Was any opinion expressed by the Prime Minister on that and did he make any appeal to the President of the United States to end the bombings so that meaningful negotiations for peace can resume?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I did not make any such comments to the President of the United States but I do know that his government and indeed other governments are aware of Canada's well stated position in this regard.

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POLLUTION

THREAT TO WEST COAST FROM PROPOSED TAPS TANKER ROUTE—SUGGESTED REFERENCE TO INTERNATIONAL JOINT COMMISSION

Mr. D. W. Groos (Victoria): I have a question for the Prime Minister, Mr. Speaker. I understand from press reports and from what the Prime Minister has just said that the pollution problems that probably will exist on the west coast should the tanker route go through were discussed with the President of the United States and that the suggestion had been made that the matter be referred to the International Joint Commission. Were these press reports true and if they were would the Prime Minister give consideration to having the terms of reference of the International Joint Commission extended to cover this and also the general matter of marine traffic in this part of the country?

Mr. Speaker: Order, please. The hon. member knows, I am sure, that he cannot ask the Prime Minister to confirm or deny a press statement. Perhaps we might assume that the question has been asked directly and the Prime Minister might reply to the second part of it.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. In view of the fact we were going to sign on Saturday a treaty which showed the intention of both governments to come to grips with the problem of pollution, during the discussion of that I did raise the question of pollution on the west and indeed on east coasts and suggested that the matter be referred to the IJC, as the hon. member is requesting. I know that the Secretary of State for External Affairs also made that suggestion very forcefully. We have implanted it in the minds of the American government and we hope some progress will be made in this respect.

[Mr. Sharp.]

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—REQUEST FOR STATEMENT ON NEGOTIATIONS—COST TO TAXPAYERS

Mr. J. P. Nowlan (Annapolis Valley): I have a question for the Secretary of State, Mr. Speaker. In view of the fact that disputes in the public service seem to take a mobilized public to resolve them, I wonder if the minister intends to make a statement to the House on the continuing problem between NABET and the CBC so that we can know what progress is being made, if any, to resolve this longstanding labour dispute?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I cannot enter into an unconditional commitment as asked for by the hon. member because that could be very inopportune under the present circumstances. But if such a statement became necessary, I would do so on motions.

[*English*]

Mr. Nowlan: A supplementary, Mr. Speaker. I will have to check *Hansard* but I thought the minister also was going to undertake and/or review the possibility of stating to the House whether there is an extra cost to the CBC because of the strike or whether there has been a saving to the taxpayer, and that he would make a statement so that we could clear up the confusion. As the second part of my question may I ask whether I can assume from the minister's answer that the government at this time plans to take no initiative to bring these two parties together to resolve their dispute collectively and is going to let the matter drag on?

[*Translation*]

Mr. Pelletier: As to the latter question, Mr. Speaker, I think that the hon. member probably knows that two mediators of the Department of Labour have been working in that field for at least two or three weeks, if I am not mistaken.

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[*English*]

FINANCE

INTEREST RATES AND CANADIAN DOLLAR LEVEL—SUGGESTED STATEMENT ON NATURE OF REVIEW AND POSSIBLE ACTION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in the absence of the Minister of Finance this afternoon may I direct my question to the Minister of State attached to that department. In light of the statement made last Thursday by the Minister of Finance that interest rates and the level of the Canadian dollar were under constant review with the Bank of Canada, could the minister tell the House whether his senior colleague will be making a statement in the House shortly on the nature of this review and perhaps forecasting what action the government will take with regard to interest rates as well as the value of the international monetary unit?

Hon. P. M. Mahoney (Minister of State): I will bring the question to the attention of the minister, Mr. Speaker.

Mr. Lambert (Edmonton West): In obtaining a reply from the minister, would the Minister of State ascertain whether we are to await a budget address to have that position reviewed in the House and if it is to be a budget address, when can we expect it?

Mr. Stanfield: He doesn't know.

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HUMAN SCIENCES

PROGRAMS TO INCREASE PUBLIC EXPENDITURE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, without transgressing upon my right hon. and highly regarded friend from Prince Albert and his Pandora's Box may I ask the Secretary of State, who was once regarded as a champion of the humanities, what steps he has in mind in reference to the report of Statistics Canada to the effect that the government of this country expends 15 times more on the natural than on the human sciences, and can he advise if this country has totally committed itself to such technological efforts and, if otherwise, what programs he contemplates to increase public expenditure on the human sciences?

Mr. Speaker: Order, please. I would think that the hon. member's very learned question normally ought to be placed on the order paper. I am not sure whether there is a place on the order paper for questions of this kind. If the hon. member thinks there is an aspect of urgency about the matter he could give the usual notice to the Chair and it would be given preference for consideration at ten o'clock.

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INDIAN AFFAIRS

REQUEST FOR STATEMENT ON DISCUSSIONS BETWEEN DEPARTMENT AND CREE INDIANS CONCERNING JAMES BAY HYDROELECTRIC PROJECT

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. Would the minister as soon as possible, tomorrow or the next day, make a statement on motions to clarify the position between the Cree Indians in the province of Quebec and his department concerning discussions and reported statements on both sides over the James Bay project? It seems that completely opposing reports are coming from both sides and I think hon. members are entitled to—

• (1440)

Mr. Speaker: Order, please. The minister should be allowed to reply.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not intend to make a statement on this matter now. I do not believe there is a disagreement between Quebec Indians and ourselves. The Indians are working on their side and we are having discussions with them. As recently as yesterday I met the secretary of the Indian association, Mr. Gros-Louis. Furthermore, representatives of the association are going up north to meet the Indians of the James Bay area and will report to me on their return. We are co-operating, but I do not intend to conduct discussions in their place; they are able to deal directly with the government of Quebec.

* * *

[*English*]

EXTERNAL AFFAIRS

REPORTED INTENTION OF UNITED STATES TO DEPLOY NUCLEAR WEAPONS IN EUROPE—CONCURRENCE OF NATO MEMBERS—CANADIAN POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct my question to the Prime Minister. In view of Defence Secretary Laird's statement that the United States is planning to deploy nuclear tactical weapons in Europe, may I ask whether this proposal has been concurred in by the Canadian government and the other members of NATO, whether there have been any discussions about this matter and what the position of the Canadian government is regarding it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of that statement. I will look into the matter. I know that there was no discussion of it by the Canadian government, if that involves myself.

Mr. Douglas: Since the U.S. Bomarc nuclear missiles have been removed from Canadian soil, can the Prime Minister assure the House and country that the government does not intend to have these replaced by any other nuclear devices located on Canadian soil?

Mr. Trudeau: Yes, Mr. Speaker. I think the white paper on defence made that quite clear.

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GRAIN

DISCUSSION OF RE-ESTABLISHMENT OF INTERNATIONAL WHEAT AGREEMENT WITH PRESIDENT NIXON DURING VISIT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Prime Minister and it is in relation to his talks with the President who was here last week. Did the Prime Minister or any minister discuss the re-establishment of the International Wheat Agreement and seek the co-operation of the United States in that regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we talked very briefly of the desirability of improving markets and prices for wheat, but there was no really substantial discussion of the matter between the President and myself.

Inquiries of the Ministry

ELECTIONS

ESTABLISHMENT OF ELECTORAL BOUNDARIES COMMISSIONS FOLLOWING CENSUS

Mr. Raymond Rock (Lachine): Mr. Speaker, I have a question for the Secretary of State. Has the Secretary of State received from Statistics Canada a return on the decennial census? If so, when will the government proclaim the establishment of an electoral boundaries commission for each province?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I can only reply to the hon. member that main results of the 1971 census should be supplied by the third week of this month, that is around April 25.

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[*English*]

MANPOWER

ON-JOB TRAINING—PROVISION OF FUNDS FOR STELLA LUCAS FOUNDATION PROJECT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a question to the Minister of Labour who undertook to look into the Stella Lucas Foundation Limited matter in Hamilton. I wonder whether he has done so and does he have a report at this time?

Hon. Martin P. O'Connell (Minister of Labour): Yes, Mr. Speaker, I looked into that question and discovered that there had been a misunderstanding which should not be attributed to the employer-client. We are undertaking to follow through with on the job training funds.

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COMBINES

ACTION ON POSSIBLE PRICE FIXING BY TIRE COMPANIES IN LIGHT OF UNITED STATES ANTI-TRUST SUITS

Mr. Max Saltsman (Waterloo): Mr. Speaker, may I direct a question to the Minister of Consumer and Corporate Affairs. Has his attention been drawn to the fact that five tire companies in the United States are being sued under anti-trust legislation for price fixing? Since all these companies have branch plants in Canada, is the minister looking into the situation and does he intend to take similar action in this regard?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, I appreciate the comments of the hon. member. I will look into the matter and see if I can report to him shortly.

[*Later:*]

FOOTWEAR—REQUEST FOR INVESTIGATION OF POTENTIAL PRICE INCREASE

Mr. Joseph-Philippe Guay (St. Boniface): My supplementary, Mr. Speaker, is directed to the Minister of Consumer and Corporate Affairs. In view of the findings of the United States committee investigating leather, leather tanning and the price of footwear, which indicate there will be a considerable increase in footwear prices, up to $6 a pair, will the minister investigate this matter, bearing in mind that the cost of living will be affected, particularly for larger families who surely need footwear in our country?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): I can do no less than for my hon. friend than I did for the hon. member opposite. I will give the matter every consideration.

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EXTERNAL AFFAIRS

NEGOTIATIONS WITH UNITED STATES ON RENEWAL OF LEASE COVERING AMERICAN AIR FORCE BASE, GOOSE BAY

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the statement made in Washington on March 15 last by Major General Joseph R. DeLuca, USAF Budget Director, to the effect that the Goose Bay Air Force Base is to be phased down, and in view of the minister's statement to the House on January 21, 1971, just over one year ago, that it was not the intention of the United States government to phase down that USAF base and that they intended to retain the base, is the minister now in a position to report to the House whether or not the lease between Canada and the United States for Goose Bay Air Force Base, which expires on December 5 of this year, is to be renewed and if, indeed, the American authorities have indicated their intention—

Mr. Speaker: Order, please. That is not a proper question. The hon. member should try to limit it. According to the rules, the question period should not be used for the purpose of making remarks. I appreciate the importance of the question but perhaps it might be condensed a little. I assume that the hon. member has now asked his question and we might allow the minister an opportunity to reply.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I shall be brief. Negotiations are under way.

Mr. Peddle: The answer was brief last time, too. Shame!

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CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—REPRESENTATIONS TO UNION CONCERNING NUMBER OF VIEWERS AFFECTED IN AREAS SERVED ONLY BY CORPORATION

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is for the Secretary of State in relation to the NABET strike which is still continuing. Can the Secretary of State say whether, during the negotiations, there has been any actual determination of the proportion of viewers in any

area of Canada who are being adversely affected by the strike, inasmuch as a small number of people in certain areas have only the one service compared with the large numbers of people in the cities who have access to many different services? Has this point been brought home to the NABET people?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Most obviously, Mr. Speaker, that is the major concern of the CBC management.

* * *

[*English*]

AIRPORTS

PICKERING TOWNSHIP SITE—REQUEST FOR PUBLICATION OF REASONS FOR CHOICE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Parliamentary Secretary to the Prime Minister who seems to be busy speaking to another parliamentary secretary. As the parliamentary secretary has indicated that the reasons for the choice of the Pickering township site for an airport would be placed before POP—People Over Planes—would he advise the House whether this is so, and will the House be advised as to the reasons?

Mr. Speaker: Order, please. A question like that cannot be directed to the parliamentary secretary.

Mr. Alexander: Mr. Speaker, may I rephrase the question and direct it to the minister answering on behalf of the Minister of Transport. May I ask the responsible minister whether, pursuant to the statement made by the Parliamentary Secretary to the Prime Minister, the reasons for the choice of the Pickering township airport site are to be made public or tabled in the House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have the commitment before me that the Minister of Transport gave on March 17, as recorded in *Hansard*. He said:

> ... I am prepared to provide whatever is necessary to support the decision that was made.

Mr. Stanfield: Soon.

Mr. Trudeau: He will be appearing soon before the Standing Committee on Transport and Communications. I am sure the hon. member will at that time want to ask the minister for details and information.

Mr. Alexander: As the parliamentary secretary indicated that the reasons would be proclaimed on or about April 15, at which time, I believe, a meeting was to be held with the concerned group from Pickering township, I wonder whether the parliamentary secretary was talking through his hat or whether the information will be disclosed today or tomorrow?

Mr. Woolliams: What a hat!

Mr. Speaker: Order, please. A question asked in those terms is not in order.

Mr. Alexander: Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Alexander: Mr. Speaker, I hope you will give me an opportunity to ask the question without the superfluities. Can the Prime Minister advise us whether the reasons for the site will be given in the next couple of days, regardless of the sitting of the committee? I think that was the undertaking given by the parliamentary secretary. I was hoping the Prime Minister could answer that question. Will the reasons be given in the next two or three days?

Mr. Trudeau: Mr. Speaker, I am informed that the parliamentary secretary did not give any commitment as to dates. The date was suggested by the people who wanted to meet and just mentioned. In that sense if do not think the hon. member was talking through his hat. He was talking through the press.

Mr. Alexander: Somebody boobed.

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AGRICULTURE

WOOL—REQUEST FOR REINSTATEMENT OF SUBSIDY

Mr. Bill Knight (Assiniboia): Mr. Speaker, may I direct a question to the Minister of Agriculture. In view of the request of the Canadian Sheep Breeders Association for reinstatement of the federal subsidy on wool production, is the minister considering reinstating the subsidy?

• (1450)

Hon. H. A. Olson (Minister of Agriculture): Not at the moment, Mr. Speaker. We are considering some new marketing structures which will be far more beneficial to producers in the sale of their lambs.

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GRAIN

WHEAT—POSSIBLE CHANGES IN FORMULA FOR ALLOCATING BOXCARS TO ENSURE EQUITY AND FREEDOM OF CHOICE

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct a question to the minister in charge of the Wheat Board. It concerns the allocation of boxcars following the Federal Grain-wheat pool amalgamation and the utilization of the Bracken formula. Since this question has been under consideration by the Wheat Board and by the minister for some time, I wonder whether the hon. gentleman is in a position to report to the House with respect to possible changes in the allocation formula with a view to ensuring equity and freedom of customer choice?

Hon. Otto E. Lang (Minister of Justice): Yes, Mr. Speaker. This matter has been discussed in the course of correspondence and at a meeting I had with the Wheat Board and the heads of all the elevator companies. There is

general agreement that the allocation of cars to avoid congestion during May, June and July will take care of the situation adequately in the period immediately ahead. Additional steps will be taken to deal with congestion either in this period or in the new crop year if such steps become necessary.

Mr. Mazankowski: Would the minister advise us whether any definitive proposals have been put forward with respect to the future of the Bracken formula? In other words, will there be any permanent changes with respect to allocation under that formula?

Mr. Lang: As far as I can determine, all the elevator companies are in favour of the general principles of the Bracken formula, particularly the principle that every farmer should have the right to deliver to the elevator of his choice. Originally, this formula had in it an anti-congestion device, but it is not working at the moment. Everyone seems agreed that if necessary some such device will be embodied in the formula in future.

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INDUSTRY

CLOSING OF McBEAN COLLIERY—PROVISION OF PENSIONS SIMILAR TO BENEFITS FOR DEVCO MINERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is addressed to the Minister of Regional Economic Expansion. In view of the apparently imminent closure of the McBean Colliery I should like to ask the minister whether he is committed to the principle that pensions should be provided for the men affected equal to those available as pre-retirement benefits to the Devco miners? Would he correspond with or take steps to consult with his provincial counterpart in order to expedite this matter?

Mr. Speaker: While the matter is being pondered, the Chair will recognize, for the moment, the hon. member for Dauphin.

Hon. Jean Marchand (Minister of Regional Economic Expansion): I have received no request concerning this matter.

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GRAIN

BARLEY AND RAPESEED—PROJECTED DECLINE IN ACREAGE—ABILITY TO MEET EXPORT TARGETS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. Can the minister inform the House whether the projected decline in barley and rapeseed acreage as reported by Statistics Canada is such as to justify any doubt as to our ability to reach export targets for these grains? Does the minister intend to urge farmers to increase acreages of these grains?

Hon. Otto E. Lang (Minister of Justice): The projected acreages give no reason to doubt that the record targets for which we are aiming will be achieved during the present crop year. There is, however, cause for some concern in connection with potential marketing in the coming crop year. The minister has already been making known to farmers his view that seeding of barley and rapeseed should be emphasized more strongly than the original survey figures showed.

WHEAT—REQUEST FOR PUBLICATION OF TRANSPORTATION STUDY

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, my question is directed to the minister in charge of the Wheat Board. In view of the difficulties which have arisen in connection with the transportation of grain, would the minister now make public the study on transportation carried out under his authority in order that farmers, members of parliament and the public generally can examine it and make suggestions for improvement?

Hon. Otto E. Lang (Minister of Justice): We shall be promoting further discussion of this whole general problem in the fairly near future. The study does not, of course, bear on the problems of the moment, the temporary difficulties in grain haulage which were the consequence of special conditions this winter.

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REGIONAL ECONOMIC EXPANSION

POSITION OF DISCUSSIONS WITH PROVINCES ON PROGRAMS

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. Can the hon. gentleman tell us what stage discussions have reached with the provinces, particularly concerning the department's programs and designated regions and special areas beyond the 1972 expiry date?

Hon. Jean Marchand (Minister of Regional Economic Expansion): We are still in consultation and negotiation with the provinces.

Mr. Burton: Can the minister tell us whether his department has proposed that the present boundaries and scope of the programs remain as they are, or has he proposed some changes to existing programs?

Mr. Marchand (Langelier): We are in negotiation with the provinces, not with the hon. member.

An hon. Member: Oh, oh!

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

CANADA LABOUR CODE

AMENDMENTS RESPECTING INDUSTRIAL RELATIONS, LABOUR RELATIONS BOARD, INDUSTRIAL INQUIRY COMMISSIONS AND CONCILIATION BOARDS

The House resumed, from Thursday, April 13, consideration of the motion of Mr. O'Connell that Bill C-183, to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in the context of the industrial unrest which prevails in certain sectors in Canada today, and in view of the fact that there is likely some involvement as far as the government itself is concerned—we do not yet know what stage negotiations have reached as between the government and its own employees in resolving difficulties which have always been a fruitful source of strikes in the past, and in the past few years particularly—it is very important that we give this bill searching examination.

Most hon. members of this House, if they listen to their own constituents, will be aware that there is great anxiety in Canada today with regard to the state of labour-management relations, and the fact that we Canadians, as a people, have been victims over the past several years of unnecessary losses, of unnecessary strife, of unnecessary suffering. It must be remembered that the worker is not the only person to be implicated when there is labour strife. Nor is it only the management in the particular sector concerned which may have to suffer loss and inconvenience. At the present time, it seems that certain individuals, when conducting the activities of organized labour, feel they can extend their deadly pall over all concerned and even beyond. Their attitude is: to hell with the public.

An hon. Member: Oh!

Mr. Lambert (Edmonton West): This has been the case all too often. If I used their language it would be much more colourful and earthy. This seems to be the impression.

I am not assessing blame to one side or the other in any particular industrial dispute. Some portion of blame undoubtedly can be attributed to unenlightened management. Some of it is attributable to the leaders of organized labour, particularly to unofficial leaders. In presenting the bill the other day, the minister said the government was asserting its proper role as representing the public interest in the relationship between organized labour and management. These are fine words, but I honestly do not believe the bill actually carries out the intention which has been implied. I have grave reservations. The minister said:

> Our economic performance in the world is of vital importance to all Canadians and it will increasingly be so as the world's economic environment drastically changes through the rest of this decade and, indeed, the rest of this century.

• (1500)

I am reading from the first column of page 1269 of *Hansard* under date March 29. The minister continued:

> Good industrial relations will play a vital part in our economic performance and, accordingly, they will be the concern not only of the parties immediately involved but of all the Canadian public. It is with these thoughts in mind, Mr. Speaker, that we have approached the amendments to part V of the Canada Labour Code.

Again, I have some very grave reservations whether the government has actually recognized its role or the purpose, the ultimate objective, of these changes to the Canada Labour Code. It must be remembered that every member of the House must ensure that legislation in the field of industrial relations should promote industrial peace and not lead to a widening of conflict, or areas of conflict, between management and labour. Certainly, it must not lead to a complete or a greater abandonment of the public interest than now exists.

As Canadians, we face a great challenge from many sides in the world today. We have seen declining trade figures in this first quarter with Japan, Britain and the European Common Market, with some very substantial decreases. True, we have had an increase in trade with the United States, but this is only the accentuation of a problem that we have faced for a long time, one that should have highlighted the discussions between the Prime Minister (Mr. Trudeau) and the President of the United States.

One of our biggest problems has been too great a reliance on trade with the United States. If we in this parliament give ill-considered study to the proposals contained in this bill and as a result there is greater industrial strife, then Canada might as well shut shop. Because industrial strife, whatever may be its cause, leads to loss of production, higher costs and more imports. If the Canadian public finds its domestic sources of supply are arrested, then it may well have to buy from abroad, and quite often at higher cost. Some people seem to think that, as in the old days, fleas and bedbugs are a necessary adjunct to man. So, they think that we must have a certain amount of industrial strife each and every year. I deny that this is necessary, Mr. Speaker. This is why I say we must approach this particular bill from the point of view of ensuring that it promotes greater industrial peace than heretofore.

This bill covers only about half a million workers who come under federal jurisdiction, a long way from the bulk of Canada's labour force. But this does not mean that the bill is in any way diminished in importance, not at all. The Canada Labour Code, as the government so claims, should be in the vanguard. It is like a flagship that shows the objective towards which provincial administrations should strive. There are many areas in which labour legislation passed by this parliament has shown the way for the provinces. If this is to be the case, then let us make sure that this bill is one that people can point to as an example of a measure that will promote greater industrial peace.

It is in that light that we must examine the bill. It must not be a bill that results in an indiscriminate abandonment of jurisdiction. The bill must not be merely Pilate-like, that is one who washes his hands of the thing and lets

management and organized labour fight it out; that it is a bill that will give each more opportunity to get at the other's throat. I say that that is not the purpose of the bill and must never be its purpose. Therefore, I propose to consider the bill with this particular point of view in mind.

However, if I may say so, Mr. Speaker, we in Canada at both the provincial and federal levels have achieved a certain degree of support from the public generally for social legislation and at no inconsiderable cost. In fact, the cost has been fantastic. One of the budgetary problems of this administration, of its predecessor and of many of the provincial administrations, is that they all face escalating costs for some of the social welfare programs that are on the statute books.

I think that in many areas we in Canada have been too precipitate; we have gone too fast for our ability to pay. Whether through taxes at the municipal level in the form of higher education costs, whether through certain forms of taxation at the provincial level which enter into cost of production, or whether through income tax at the federal level, we have taken far too much out of the Canadian economy at the present time. We have weakened the base of the economy in order to support those programs that ultimately we want to have. We seem to be content, and in many instances more than content, to pile on costs, making our goods less competitive, not only abroad but at home. In some cases costs are unnaturally high. As in the forestry industry and in certain other sectors, taxes and the take of government have now gone up to 80 per cent of net operating revenues. And we ask these industries to be competitive internationally! We ask them to support, in addition, all the programs that we have on our statute books. It is simply impossible, Mr. Speaker, to do so. If by this legislation we impose further costs upon industry, then we will be making those industries even less competitive than they are now. The legislation then becomes self-defeating. To the extent that defective legislation is the cause of the elimination of just employment to any one Canadian, it is deficient legislation. That is what I am afraid of in respect of certain sections of this bill.

• (1510)

This bill does nothing for the protection of the public interest as such. When is it to be deemed that an industrial dispute has reached the point where the public interest is suffering? This bill does not cover the Public Service, for instance. If we look at the extent of the jurisdiction of the Canada Labour Standards Code, we find that the following industries are covered: rail, air, road and water transportation; services incidental to water transportation; interprovincial pipeline operations; telephone and cable communications; radio and television; grain elevators and grain milling; banking; hotels; uranium mining and federal Crown corporations, involving in all about 530,000 workers.

The Public Service itself is covered by the Public Service Staff Relations Act, and is excluded from the Canada Labour (Standards) Code. I should have thought that, having decided the Public Service of Canada will be granted much the same rights as organized labour elsewhere, they too would be brought under the Canada Labour (Standards) Code and where appropriate would be subject to that jurisdiction. Certainly, I should have thought the government would take this opportunity to give itself the necessary tools to deal with the public interest, regardless of the source of the industrial strife.

We know there are many Crown corporations such as Air Canada, for instance, in which there have been a number of debilitating strikes that have caused great loss and great public inconvenience. As a result of the chaos created by numerous unions having labour agreements finish at different times, the whole operation can be undermined and the public interest is absolutely secondary in the consideration of those people who have the dispute in hand. It seems to me that this is and has been quite wrong.

I know there are difficulties in respect of split jurisdictions, and I do not mean by that, joint jurisdictions. For example, what happens if there is a total breakdown in industrial relations of the steel industry and the public interest is being adversely affected? What action could then be taken? I have no ready answer but this is something which might be arranged with the provinces in order to see that strikes do not hold the Canadian public to ransom, because all too often that is the ultimate result. In the case of those strikes against the public sector by the employees of any Crown corporation, and we have had a lot of them, it is the Canadian public that is being held to ransom. It is not management, in the conventional sense, that is being held up, and it is not the shareholders or directors who are hoping to operate a concern at a profit for private benefit; it is the Canadian public at whose head the gun is being held.

If there is any loss as a result of the strike of CBC employees, it is John Q. Public who will have to absorb that loss. If Air Canada suffers a loss, it is John Q. Public who pays. If the CNR suffers a loss as a result of a long and disastrous labour dispute, it is John Q. Public who has to suffer and pay. So, there is no question that there is greater reluctance to strike ultimately against a publicly owned as against a privately owned operation. In my opinion anybody who, as an advocate of nationalization for the sake of achieving greater industrial peace, says this is the case, is going completely against the record.

I wonder why this bill did not provide for some sort of alternative, and in this regard I have to be very careful of my grammar. I wonder why there was not some sort of alternative to that which we now have. It seems to me there should have been provision for a mandatory cooling-off period. Once there has been a breakdown in the normal course of negotiations, and conciliation and mediation have failed, assuming a work stoppage were to be against the general public interest, then in so far as those industries affected by the Canada Labour (Standards) Code are concerned, the executive should have the power to issue a directive declaring the work stoppage in that industry to be against the public interest.

At that time a mandatory cooling-off period of somewhere between 80 and 120 days could be called for during which the parties must resume negotiations and arrive at a satisfactory settlement. This could be some form of mandatory mediation or conciliation, but the answer must come within that definition. Other countries use labour courts, but what is a decision of a labour court other than the mandatory laying down of the terms of the labour

agreements? These exist in many countries in the world. In this country, people have shied away from any question of compulsory arbitration. They do not like it, but many other countries have resorted to some form of this as an ultimate sanction by the public.

When the public of Canada, whose interests are paramount, say "That is enough; there must be a settlement", all we have is some sort of ad hoc solution whereby, if the government feels there is an adverse effect on public interest, it will call parliament into session. What has parliament done under the circumstances? The parliament of 1958 or 1959 had to deal with a strike by the employees of the west coast ferries. What was done then but the invoking of a compulsory cooling-off period during which the parties were directed to renegotiate? Certain minimum terms were established by the legislation. But the parties on either side were under no illusion that on the date specified in the bill—and the same thing applied with respect to the Canadian National Railways I believe in 1964 or 1965—there would be a settlement, and if there were no settlement it would be at the peril of the party disagreeing. That is the force of the public interest.

• (1520)

Therefore, I say it is unfortunate that in this bill there is not a provision to obviate the necessity to call in parliament and involve, shall we say, partisan political considerations. The machinery should exist whereby a mandatory cooling-off period could be imposed in appropriate cases. I will admit that in this area most provincial governments have jurisdiction, but in those circumstances this bill could be some sort of a flagship. I know organized labour does not like the legislation in some of the provinces because it goes too far in another way, but it would seem to me that if there were a reasonable course laid out in this bill there could be a rallying to that reasonable point and an example could be shown to other administrations. Much of what the government has done with this bill has resulted in leaving a great void. It has abdicated its responsibility, as I say, in failing to provide for that option. I would be the first person to approve if someone could think of a better or more reasonable alternative. I would welcome it. I say, however, that one must never neglect the public interest as is now being done.

There is another area in which I think this bill is deficient. Here, I am very conscious of the rights as well as the responsibilities of both sides and the experience we in Canada have had over several years. I would say one of the chief reasons there have been excesses on the side of management and excesses on the side of organized labour is the fact that unions are not legal entities. Unions, unfortunately, in order to redress wrongs the members experienced, because they could not sue, have had to resort to other action. After all, they will not remain inactive. If we read any responsible newspaper that comes out of Montreal we know that on the picket lines at the present time there is violence; there are actions which would otherwise be illegal. There are wrongs being perpetrated against the public and against other honest, law abiding and innocent employees. This is all done under the mantle of an industrial dispute. Damage is done, injury is perpetrated and there is no recourse under the Criminal Code. Recourse under the Criminal Code is not the answer. We limit the remedies under the Criminal Code.

All too often after an industrial dispute has been settled, one of the terms of the settlement is that there shall not be any prosecutions or if any charges have been laid that they shall be dropped. But if striking employees in an industrial dispute enter the plant or property of owners with whom they have a dispute and damage or destroy property, why should they be above the law? If I enter my neighbour's property and vandalize it, even though I may have a quarrel with him, have I the right to say that because I had a quarrel, an honest dispute, I should be able to inflict these damages on him? Of course, that would be wrong. Yet, in industrial disputes sometimes hundreds of thousands of dollars of damage may be done in a spirit of vengeance, in a spirit of coercion, sometimes by hired thugs and goons. Then, I say such actions should not be above the law nor should it be possible to circumvent the law in respect of that sort of thing.

In the same way if management hires thugs and goons to coerce and victimize its employees with whom it has a dispute then the bargaining unit, the union itself, should be able to sue the owners. But today this cannot be done. It must be the individual who takes action. What chance would one lone worker, two workers or even three workers have to establish a case? What funds would they have with which to fight the case? If the union were a legal entity it could take action on behalf of its members who had been victimized. It seems to me by refusing to recognize a bargaining unit as a legal entity, we have forced both sides to take other courses of action which are not as acceptable as a proper proceeding through a court. It is for that reason I believe there is a serious deficiency in this bill. I do not take this position because I feel if organized unions were legal entities they could be the subject of pot-shots or persecution through the courts. This is not the case any more. It may have been in the days when they were fledgling organizations unable to take care of themselves. Perhaps then they would have been disseminated by the strength of owners dragging them through the courts, but that is not the case today. It seems that far too much reliance has to be placed on other courses of action in order to clear up some of the difficulties that arise as a result of an industrial dispute.

• (1530)

There is another matter on which I think this bill is deficient. The previous minister discussed this with me, and I was hopeful he would include it in the legislation. At least there was some hope and encouragement offered. However, I fail to see it in this particular bill. To that extent, I am sorry, I think the government is again showing a lack of leadership in this particular range. After all, the way has in part been blazed, and I say in part only, by the government of Ontario in its industrial relations legislation. I refer to my bill C-48. Frankly, this bill is popularly known as charity versus closed shop union dues. There are people in this country who have bona fide religious principles which preclude them from paying dues to unions organized in the way they are today. If an individual is working for a concern which has entered into a closed shop or union shop agreement whereby there is a compulsory check-off of union dues, that person, having

bona fide religious views which prohibit in conscience that person from belonging to such a group, it should be possible for that person to have an amount equivalent to the union dues deducted from his periodic pay and paid to a charity that is recognized by both the union and the individual, a recognized public charity.

There have been cases in Ontario, and I must say they are to my knowledge limited to Ontario, whereby long term employees in some concerns that have become unionized have been discharged by order of the Ontario Labour Relations Board because of refusal to pay union dues but offering to pay an equal sum to a charity. That was prior to the present Ontario act and, I must say, the present act is far from perfect. It only went part way. However, can there be any justification whatsoever for an individual who has been employed or is qualified to take employment being prohibited, because of his religious views from taking that employment?

We have all sorts of legislation starting from the Bill of Rights down through the piece which states there shall be no discrimination as a result of religious beliefs, yet we have this situation as a result of our industrial codes. This bill does not prohibit it. I think these legislative guarantees are a hollow mockery because, as a result of the demands of the big unions, the individual worker is denied the freedom of his religious beliefs. They say you can believe what you want, but because of your beliefs you cannot work at this particular plant or concern. I suppose the next thing we might have might be a denial of the right to work because of an individual's political beliefs. The shoe would then be on the other foot. There would be screaming to high heaven about denials of the fundamental rights of the individual, yet in the labour code we fail to provide safeguards for those rights.

I say it is totally wrong to victimize those individuals of recognized faiths in this country which object to this sort of thing. But any individual should not be allowed to say casually that he does not believe in this type of organization and that it is against his religion. The proof must be there. Yet all we now say to these objectors is that they can work somewhere else. They do not have to work for that particular concern. I am sorry that the minister or the government did not have the political courage to include such a provision in the bill.

In my bill I do not advocate that an individual have the right to pocket the $5, $10, $15 or $20 per month which he would normally pay in union dues. The dues may be less, but there are many who pay $10 or $15 a month. There would be a transfer to a recognized charity. Surely, to the extent the charities are supported by the people making such a stand, the unions could consider this a valuable contribution to public charity in this country. They are not that poor. What I find even more fundamentally wrong is that this is a back door denial of the freedom of religious belief.

Mr. Speaker: Order, please. I have to interrupt the hon. member to inform him that his time has expired. He can, of course, continue with the consent of the House. If the hon. member wishes to pursue his remarks, I will inquire whether there is such consent.

Some hon. Members: Agreed.

[Mr. Lambert (Edmonton West).]

Mr. Lambert (Edmonton West): Thank you, Mr. Speaker. I also thank hon. members. I will not transgress upon their generosity. I will soon bring my remarks to an end.

There is one point in the bill which I find very satisfactory. No doubt there are others. I refer to the change in the composition of the Canada Labour Relations Board. I have objected many times to the composition of conciliation boards and other bodies of a similar type set up to resolve a dispute. The board is usually composed of a representative of one side, a representative of the other side, and a neutral chairman. In 90 per cent of the cases, unless there is unanimity, the judgment that finally comes down is that of the chairman because the other representatives of management and organized labour have vested interests and will not cross that very definite line down the middle.

• (1540)

I have been engaged in this sort of thing under industrial contracts. Many of my colleagues who practice law and with whom I was associated before entering parliament have told me the same story. They said they were appointed with instructions. They were responsible to their clients. Quite often the representative of a particular bargaining unit was some individual from another union, and also had a vested interest. We never got really worthwhile settlements. I am glad to see that the Canadian Labour Relations Board from now on will be composed of individuals who have an intimate knowledge of, or a particular ability to sit in judgment on these matters. They will be independent of any vested interest. This, hopefully is a great step forward.

I fully agreed on this point with the brief of the Public Service Alliance of Canada. I foresee two difficulties. The first is with respect to the extension of bargaining rights to employees who have supervisory duties over other employees. It seems to me that supervision is a managerial function. If there is to be an extension of bargaining rights to supervisory employees, surely this should not be a matter of legislation but of collective bargaining?

The second point I wish to make is in connection with the provision that a representation unit may get certification on the basis of 35 per cent of the membership initially voting favourably on a representation application, not 50 per cent of the totality of the membership, but decertification must be approved by the majority of the membership of a union.

Other hon. members have spoken about the difficulties arising out of the provisions with regard to technological changes. We know that Bill C-183 is much different from Bill C-253. I hope that at committee stage amendments will be accepted that have the purpose of promoting industrial peace, and that will not afford further opportunities for industrial strife. Bill C-253 had provisions that were rife with opportunities for disputes and strikes. I do not know what it would have contributed to industrial peace in Canada.

I have spoken beyond my allotted time, Mr. Speaker. The House has been very kind to allow me to complete my remarks. I hope that most hon. members of the House will speak at this stage. This is a very important bill. I hope that there will be much interest shown by the public at

committee stage, so that we can get the best possible legislation and that when the committee reports back to the House we will have an improved bill. I hope that a way will be found to overcome the matters which I have described as failures. I realize there may be some procedural difficulties, but the government could readily overcome them by taking appropriate action. This is one of the most important bills that we will consider this year. I hope I have approached the debate on it with the appropriate sense of responsibility.

Mr. Max Saltsman (Waterloo): Mr. Speaker, in entering this debate, I speak as one who has been on both sides of the fence. I have spent a good part of my working years as an employee and trade unionist, and for the last 25 years I have had some knowledge of management. Despite the years that I have been associated with management in my own business, I have never forgotten how it feels to be an employee in the shop, and therefore I think I have some perspective in that sense when dealing with a labour bill.

The hon. member for Edmonton West (Mr. Lambert) tended to lose his perspective when making certain comparisons. I was particularly offended by his inference that trade unions and working people were above the law, that they could not be prosecuted because trade unions were not legal entities. I was surprised that he did not know better. All he has to do is pick up any newspaper and he will see that people are prosecuted if they contravene the law in any encounter between labour and management.

Mr. Lambert (Edmonton West): And then the charges are dropped.

Mr. Saltsman: By whom? Nobody in this country is above the law, neither a trade unionist nor anyone else. It is wrong for the hon. member for Edmonton West to make that kind of inference because it simply does not stand up to the facts.

Mr. Lambert (Edmonton West): The Domtar case.

Mr. Saltsman: The hon. member for Edmonton West says the charges are dropped. If the charges are dropped, then somebody wishes to drop them. There may be reasons for that. The charges are dropped by the person who lays them, and not by the hon. member for Edmonton West. It is not his decision to make whether or not the charges are dropped.

Mr. Lambert (Edmonton West): You have got it so wrong.

Mr. Saltsman: I think it is wrong to come into the House and make charges of that kind which incite people against labour, which distort the role of working people in this country. That is what is wrong.

I was also interested in the hon. member's analogy in trying to equate a trade union with a corporation. Actually, they are reverse situations. Each member of a trade union is accountable and responsible under the law. To say that the association of which he is voluntarily a member must also be responsible is like saying that if a member of parliament commits a crime inside this House or outside it, then the House of Commons is responsible.

A trade union is not a corporation. It is a group of people who have voluntarily banded together to look after their interests and pursue their objectives. In many cases, people in trade unions are elected to the offices they hold. They are not like corporation officers. Is this worse than a corporation that hides behind its charter, and whose officers say, "We have no responsibility; pick up whatever assets you like."? Today, most corporations have limited liability. You cannot touch the members of a corporation, and in most cases you cannot touch its assets beyond a certain definite amount. Yet, we have agreed to that situation. We have said that limited liability is necessary in our society. We do not throw people in debtors' prisons, as used to happen; we now have the procedure of bankruptcy for discharging debt. We recognize in each instance that there has to be some idea of what the liability of the particular group may be. Each group is different and it is not fair for the hon. member for Edmonton West to make a comparison between a corporation, which is one thing, and a trade union, which is something else. I know this is done continuously when even a cursory examination would show that they are different things.

• (1550)

Let me suggest something else to the hon. member regarding the way society looks at rights. If a person owns a factory and has capital in it, he has absolute rights under the law. Within the law he may do whatever he chooses with that factory. He can walk in one day and shut it down, throwing a thousand people out of work. The law allows him to do that because it is his money that is invested and he is free to do with it whatever he wishes. The havoc that may be created by the shutdown is not his responsibility, according to the law. The man who has worked there for 30 or 40 years giving his loyalty, his energy and brains to the work of that shop has no rights, beyond two months' notice of lay-off in some provinces. Labour has no rights in the eyes of that kind of law. We are still living in a society that says that property has ultimate rights and labour has virtually no rights.

I am surprised that my hon. friend would niggle about the minor rights being conferred upon labour in this bill, and the fact that the Parliament of Canada is moving to redress some of the differences that exist between the rights of ownership and the rights of labour. It is a philosophical question I admit, but a very important one to the man who works in the shop. He has a real sense of grievance if he is thrown out of work after perhaps 30 years of service. Sure, the company has paid him, perhaps even been good to him, but he has worked hard too and the company has not suffered through him. They made a bargain and both worked out the arrangements, but if the company decides to close down or realize a capital gain or move its operation somewhere else, that man who has worked in that shop all his life has no rights. I say, Mr. Speaker, that any rights this parliament can confer upon him, any sympathy or understanding that this parliament can muster on behalf of the working man, is not misplaced and he is entitled to it.

Like everyone else, I would like to find a resolution, a reconciliation, between absolute individual freedoms and social responsibility. I would like to feel that it is possible to maintain social responsibility while everyone does

exactly as he pleases. We know, in fact, that this can only be an objective; we know, in fact, that we have to make some kind of compromise between these two objectives and sometimes we have to give up some of our freedoms in order to ensure social responsibility. In this chamber we have heard many debates in which members argued against one type or another of legislation because it infringed upon the right of the individual either not to pay taxes, not to be part of a program or not to be included in the legislation, yet in so far as the whole of society is concerned, some of those rights are infringed upon every time a piece of legislation is passed. I do not think there is any legislation on the books that does not infringe upon those rights in some way.

I make these remarks in connection with the statement of the hon. member for Edmonton West about people who are members of religious groups and who do not want to pay union dues. I wish there were some way of working that out.

Mr. Alexander: We will find a way.

Mr. Saltsman: Very often these things cannot be worked out. Whether a person belongs to a union or not, in a shop he receives the benefits of membership; he may even receive benefit because there are unions in the area. This confers a social responsibility upon that person to make some kind of contribution to that union.

Mr. Lambert (Edmonton West): What about religious beliefs?

Mr. Saltsman: It is very difficult to deal with religious beliefs and I admit that. The situation is not quite as black and white as the hon. member for Edmonton West would have us believe. It is not that a union wants to force anyone in this way. In my conversations with trade union leaders, they indicate that they wish a formula could be found that would be fair to the trade unions, that would bring justice to all and enable them to give a greater measure of freedom to those with religious beliefs. This is assuming that it is a violation of a person's religion to belong to a trade union. We know it is a difficult problem, but to say that unions are terrible because they cannot resolve that problem is to say that parliament itself or all legislative bodies are terrible because they have never been able to resolve that problem either. In fact, we have difficulty in trying to reconcile the problem of individual rights with social responsibility and collective action.

Mr. Douglas: Can you belong to the law society without paying fees?

Mr. Saltsman: Yes, that is the way it works. I would have been far more impressed if the hon. member for Edmonton West, while he was talking about religious beliefs, had stretched his imagination a little to take in the corporation as well. He talks about the problem of the person whose religious beliefs are offended because he has to pay trade union dues. What about those people who buy shares in a corporation and are offended by the contributions given to political parties or the fact that it may be interfering in the affairs of another country? There is a quizzical look on my hon. friend's face. Apparently, he does not comprehend that kind of comparison.

[Mr. Saltsman.]

Mr. Lambert (Edmonton West): I am trying to catch the analogy.

Mr. Saltsman: You may say, "Do not invest in that corporation if you do not like what it is doing".

Mr. Lambert (Edmonton West): I said religious beliefs.

Mr. Saltsman: It could be my religious belief not to support a corporation that was making bombs to drop on Viet Nam or that was supporting a political party that was doing it.

An hon. Member: What religion is that?

Mr. Osler: You could sell your stock.

Mr. Saltsman: I think that anybody's religion would be offended by that sort of thing. I admit it is rather stretching the point—

An hon. Member: It is.

Mr. Saltsman: —but my hon. friend's statement is stretched and tends to focus on one aspect of the problem. When it comes to the freedom of stockholders and the way corporations treat stockholders, in some cases they do not know what activities the corporation is engaged in but that does not seem to offend my hon. friends on my right. However, if there are a few examples, and because they are few their importance is not diminished, of some infringement of rights by trade union activities the hollering is beyond belief. Let us be honest and frank on this problem; let us not be one-sided and say that trade unions are the only groups involved in this kind of conflict.

Mr. Thomas (Moncton): That is the whole point of the exercise; let us not be one-sided.

Mr. Saltsman: Mr. Speaker, I had originally intended to speak on the sections dealing with technological change, but as always it is difficult to follow the hon. member for Edmonton West. It is difficult because he makes such a useful and clear contribution to the debate and difficult because he always manages to say something which antagonizes my sense of fairness.

We have to be very much concerned about industrial peace in this country, Mr. Speaker. We know that very few people benefit from labour strife or strife of any kind. This is not to say that all strife can be eliminated, but certainly where it can be avoided it is important to avoid it. I think one of the best ways of avoiding labour strife would be to incorporate a clause in the labour code that would provide for participation by the worker in the decision making process when technical change is involved. In that sense the bill before us is somewhat worse than the original version, because it permits this matter to be negotiated in the new contract but does not permit the opening of an existing contract for that purpose. I have received a number of letters, as I am sure most hon. members have, which are violently opposed to the inclusion of a technological change provision in the labour code. Many people are far too afraid of the so-called dangers of such changes. I am of the contrary opinion. I think that if you bring the workingman into the picture when you consider making technological change

there will be a great deal more labour peace in the country than there has been in the past.

• (1600)

You know, much depends on how one views labour, on the image one has of labour. For some in this country, labour, unfortunately, is some kind of beast that must be restrained and chained. According to those people, any attempt to bring labour into the picture or to rely on the intelligent judgment of labour is bound to meet with failure. If, on the other hand, you feel as I do, that labour is intelligent, concerned, and willing in most cases to reach an agreeable, intelligent settlement based on legitimate positions, you will have a great deal more confidence in the clauses dealing with technological change. This bill is only making suggestions; there are not many improvements in it. What it speaks of is already happening in our society. Therefore, the bill is not breaking new ground. It is not as though management is not consulting with labour. It is my impression, after having visited many plants in my riding, that management recognizes the value of consulting with labour when changes are contemplated. Intelligent management officials have been doing that for a long time. This bill will provide them with additional encouragement. It will encourage others as well to continue the dialogue between management and labour.

The great enemy of the workingman in the plant is fear, fear of the unknown. You must be a workingman to understand that fear. True, the businessman has his own fears, his own problems. He wonders about solvency; and he must compete with others. He has his worries. One tends to forget that the man working in the plant also is beset by worries. He is worried about his job continuing, about being displaced by a machine, about what will happen to him. His worries are genuine. Any effort made by management or by legislatures to allay that fear and bring the two parties together to discuss these problems openly will bring more industrial peace. That, Sir, more than anything, is what is necessary if there is to be true industrial peace in this country. Even if you were to outlaw unions tomorrow and outlaw strikes, there would still be dissent. There is ample evidence to show that there is dissent without unions. There are slowdowns, and things of that kind, where unions do not operate. History shows that unions have brought more industrial peace, rather than less. In countries where strikes are outlawed, there is more industrial strife, more dislocation and more damage to the economy through wildcat strikes, revolts, and disagreements, than has ever been caused through labour-management disputes in countries like Canada where strikes are legal.

Let me talk more about fear, and about how that fear arises. At one time most of the plants in my riding were family owned. Management was paternalistic, that is true. The bosses and the workers went to church together. They knew each other. Sometimes they even came from the same villages in Scotland. Their parents knew each other. The result was that if a man stepped out of line once in a while, if he did not show up for work because of something that happened at his birthday party or at a wedding celebration and he had a big headache on Monday morning and was not perhaps as efficient as he might have been, his boss understood. The boss knew him. He knew the man was sorry he was late for work. The boss knew the man did not drink all the time and that this happened only once in a while. He knew the man had worked in the plant for 20 years, and that his father had worked in the factory before him. There was understanding and communication there. In a plant like that, there was mutual confidence. After all, the worker could say, "I go to church with Mr. So-and-So and our children know each other. He says hello to me." That relationship meant something, and there was a great deal of security in it. That security has gone today.

Today, the workman does not even know who his boss is. Everything is done on orders from a computer. Computers spill out instructions. The guy on the line is set aside from his foreman; the foreman is set aside from the managers. There is a whole new pecking order, a new hierarchy. The corporation is now a big organization. Corporate bureaucracies have developed. Things are done in triplicate and quadruplicate. It is small wonder that men cling to their rights. The workers think that their rights must be guaranteed on some kind of paper, otherwise they are without protection. Even though the guarantee is written on a piece of paper, the worker does not feel secure, because he does not know just how good the guarantee on paper is. In Canada, the situation is even worse because the boss is away in Milwaukee most of the time, or in Vienna, or in California. Faceless ones run the bureaucracy. They do not know the worker's job. In his work, the worker is a little cog in the whole operation. He does one small part. Nobody really knows what his talents are. He might be a fine machinist, yet on the production line, even though he has been trained as a machinist, he must stand there and punch a press and turn out little parts in large quantities. That is the kind of climate you will find in our factories. True, some plants are still run on the old basis; there is some rapport between labour and management, and the workers retain some sense of identity. For most working people, and I am talking about white collar as well as blue collar workers, that identification has largely gone.

If, because of this bill, management consults with labour on technological change, we shall take a small step back in the direction of understanding between the two parties. We are opening the door to some kind of consultation so that the parties can call on each other for advice and assistance, and so that the workers will know what the future holds. If they do that, that will be all to the good. In cases where this fails to take place, rumours fly and fears are generated. Often those fears are worse than the truth. It is better when there is confidence between the parties. I speak from experience.

I am thinking of two specific occasions that involved workers in my riding. One case involved a shoe factory, and the other, Polymer Corporation. Certain changes were to be made; plants were to be phased out, employees were to be let out because of technological and managerial change, and so on. In both cases management was wise enough to call employees together and explain what was to happen to them, what the position of the company was and why those things had to be done. Management did that before rumours circulated. They tried to make arrangement for the re-employment of affected workers

in other parts of the corporation or in other parts of the community. The result was that the people who worked in this plant were sympathetic and understanding rather than hostile. They did not like what was happening, and they could not be expected to like it. But they did understand the situation, and these changes were effected with the minimum amount of friction because management had shown sufficient intelligence to take its work force into its confidence. Had this not been the case, a climate of fear and rumour would have been created in which intelligent discussion would have been impossible.

• (1610)

We tend to forget that North America has led in the field of productivity, that despite difficulties in labour-management relations this has been an enormously productive society. We sometimes forget that labour has not, in fact, opposed change or automation. In many instances, labour has been an ally of management particularly when it has been shown that labour, too, will benefit from changes proposed. Perhaps the most obvious example is the case of the coal workers in the United States under John L. Lewis. An agreement was made providing for the most far-reaching technological changes, even to the extent of contemplating the displacement of a large percentage of the miners. The union in question, whatever its other faults, realized that if its members were to receive decent wages the industry needed to be productive. Management has been able to modernize in North America in a way which has astonished the world. This has been made possible largely with the co-operation of the trade union movement. Why is this always forgotten? Why is it forgotten that the trade union movement in North America has never stood in the way of change? There are examples to the contrary, but usually these have arisen in circumstances where a climate of fear and uncertainty existed. This brings me to my final point.

If any labour legislation is to be effective, if technological change is to be accepted, we must, as a prior condition, provide for full employment. It is difficult to expect a man who is to be replaced by a machine to be sympathetic to that machine or to the rational argument of the engineer if he cannot hope to find a new job to replace the one he has lost. The legislation before us will have its value. It is an improvement. But until we live in a society committed to full employment, all the great legislation which comes before this House, all the changes we are making, will not work—I have said this on other occasions, and I say it again, now; I am sure I speak for every member of my party. Given a policy of full employment, given a policy of reasonableness, of trying to understand the frustration felt by men who make their living in factories, men who do not own the shops but who must depend, now, on the government, because they cannot really depend on their employers to understand them, the legislation is likely to prove its value.

I hope I may be able to convince the hon. member for Edmonton West of the reasonableness of the labour position, and I hope that some of the hysteria created in this country and directed against the labour movement will diminish, that the normal Canadian attitude of fair play will reassert itself. Of late there have been many hysterical outbursts against trade unions. Trade unions are not perfect, of course. I am close enough to them to say I have seen things with which I do not agree. But by and large, the trade unions are being attacked in a way they do not deserve. In many quarters there has been a lack of sympathy and understanding of the work they are trying to do.

[Mr. Saltsman.]

Mr. Charles Turner (London East): Mr. Speaker, may I congratulate the Minister of Labour (Mr. O'Connell) on his recent appointment? I believe he is a very kind and considerate minister and, like the former minister, is very interested in providing a sound legal framework for the process of free collective bargaining in the federal jurisdiction.

Bill C-183 updates the industrial relations section found in Part V of the Canada Labour Code. Since this Act has been unchanged since 1948, it is not surprising we should be called upon to change our thinking in the field of labour relations. We have not kept pace with the times; workers are not happy with their lot in life because the cost of homes, rents, clothing and groceries, the basic necessities of life, has far outstripped the capacity of weekly take-home pay to meet them. The old idea that one week's pay was sufficient for one month's rent, or one month's mortgage payment, no longer applies in our society. As a result, workers are not able to provide the necessities of life for themselves and their families on one pay cheque.

Our society has failed to provide workers with the type of home they can afford to buy, largely as a result of red tape and regulations of all kinds applying to building construction. Construction companies have not been able to provide the average Canadian with the type of home he can afford. Consequently, he is obliged to pay high rent, making it impossible for him to save the down payment for a new home.

Many years ago, workers were easily satisfied to receive annual wage raises of 5 per cent or 6 per cent because they knew that out of these annual raises money could be set aside for future emergencies or for saving against retirement. Today, though, our society has changed and in the process the worker, the old age pensioner, the war veterans, have been unable to keep pace, largely because most of them are living in quarters whose cost is not in keeping with their take-home pay or monthly pensions. There seem to be no apartments available for rents which the worker can afford to pay while at the same time accumulating the down payment on a home—the down payment is too high, anyway. Thus, the worker feels that although he is employed, he will never be able to get ahead. New industries choose locations outside town and city boundaries in areas not serviced by vast, economical transportation systems. The worker is therefore forced into purchasing a car to take him to work and back. These are the main complaints of workers as they strive to be successful. At every turn their expenses run ahead of their ability to make the necessary money to survive.

I believe in the process of collective bargaining. If both sides bargain in good faith and if the impact of technological change is fully discussed at the bargaining table, there is no reason for strike action. One does not need to be a well educated person to realize that when a worker cannot supply living quarters and the basic needs of his family on the amount left to him from his monthly pay

cheque he will be a hard man to satisfy when it comes to negotiating a raise. This is because he feels he is doing no more than working to keep even, that he cannot save toward his future.

• (1620)

For many years labour and district management of federal companies were able to solve many of their grievances on a local level because regular meetings were held to iron out differences of opinion on small issues. Management personnel were men who had come up the hard way; they were interested in the employees and their families and enjoyed watching the men progress in our society. To me, this was collective bargaining at its best because both sides bargained in good faith, so that small issues were kept under constant revision and did not become big issues at contract time. Years ago, strikes and lockouts were an integral part of free collective bargaining; but the main issues were big, and thus they had a far-reaching effect on all workers.

I believe that today strikes are outdated. Neither side can afford to strike, and if both sides bargain in good faith there is absolutely no need for a strike. Management must make a dollar in order to remain competitive, to pay the bills, replace worn out machinery and keep the plants up to date. At the same time, labour must realize that management has to borrow the money to pay salaries, even if sales are down in slack periods, and to expand plants in order to create more jobs. Both sides must work together if the business is going to be successful.

The former Minister of Labour was correct when he tried out the idea of labour specialists being involved in labour contract discussions. At least 60 days before a contract runs out, the government should force both sides to start meaningful talks on the terms of the new contract. At all these talks, a government labour expert should be in attendance. Sooner or later, regardless of the use of the strike, both sides will sit down and settle their differences, so why not do so before the contract runs out so that there will be no interruption of work? If both sides talk commonsense there is absolutely no need for the strike.

Labour and management both have the same goals, namely to create a successful industry producing goods at the lowest possible cost. We must remember that it is the people who work who buy the majority of the goods produced. If industry had to depend on selling goods produced to management personnel, the same industry would starve to death. It is the little man who makes the wheels of industry turn by his constant buying of the goods produced. Any successful industry has been built on a combination of money and labour. One cannot work without the other; therefore, it is in the interests of all people to have industrial peace.

Is it not correct to say that the worker should share in the fruits of his labour by helping to make an industry successful? Is it not correct to say that he should be consulted when technological change takes place in his industry? All workers in all sections of our economy have a democratic right to expect fair, humane treatment and consideration for the many years of service they have contributed to helping industry become successful. In many cases, these same workers were the men who dropped the tools of industry in wartime and went away to fight for our democratic system so that it would not be destroyed. Surely they deserve every consideration when changes are to be made in industries. It is also correct to say that management has the right to expect a good return on their investment as well as the right to make changes in their plants so that they can remain competitive.

Each year many industries of this nation decide to make changes in their production methods. Some have decided to lock the door and to move to some other part of the world. The rapid pace of technological progress and economic growth can and does have adverse effects on the working population. If employees' resistance to change is to be less harmful, as it must be if Canada is to achieve its full potential as an industrial power, employers, trade unions and government must accept responsibility for the development and implementation of policies to cushion the impact of the change on individual workers. It is certainly not in the best interests of employers and residents of the communities affected to be saddled with the problems of relocating the employees without the help of the industry causing the shift through its technological plans.

When one looks at the railroad industry, one finds that since the introduction of the diesels thousands of once proud workers of the nation's railways have been dumped on the streets with nowhere to go. Today many of these workers have not recovered from the effects of this technological change. Canadian law should not permit this to happen. Many of these railway companies were given financial and other incentives to locate in various districts in Canada. Therefore, they have an obligation to provide service to the district in which they located in order to stabilize employment in the area. All these companies should be made to provide some type of compensation or retraining for their workers who lose their jobs through no fault of their own.

In this period of fast technological change, businessmen must have maximum freedom to employ new ideas and inventions that improve efficiency and keep their industry up-to-date. The workers affected by such change must have reasonable guarantees. When a machine wears out, it is thrown out on the scrap heap; but our human resources—the workers—have a responsibility to help us build a better society for all Canadians. Therefore, their future must be protected in such a way that society is rewarded by the work and ideas of the displaced worker. We must remember that these same new machines that displace workers do not buy homes, cars, furniture or the weekly groceries. They contribute nothing to our way of life other than to make man's labour less. At the same time they take away man's livelihood; also they pay no taxes or union dues.

Time and time again when there is a strike, management of large companies think up ways to eliminate jobs by the introduction of machines. They should have some responsibility to the area in which they locate to make certain that their former employees are retrained or relocated so that they do not wind up on welfare. There are far too many cases where our society as a whole is called upon to pick up man's broken dreams, desires and ambi-

tions and try to piece them together. Surely, we must find some method of cushioning the shock of change.

I sincerely believe that the new Canada Labour Relations Board should be formed from public, labour and management personnel. Its full time members should have years of experience in their various fields, and there should be effective communication between them, the minister and his department, and all parties involved. I believe that, if the board is comprised of good, sound, experienced people, it can and will bring good industrial relations to all our labour problems so that decisions are made in the interests of the nation as a whole. Good industrial relations are based on an understanding of the problems involved. It is very important that the minister give the board the regulations which will help eliminate problems of management and labour and do not allow suspicion and hostility to creep in and slow down new methods of preserving industrial peace. I also believe that the extension of bargaining rights is a step in the right direction. For too long, many people in this group have found themselves in the area of no man's land and had to take what was handed to them with no hope of trying to help themselves.

As we move ahead into the 70's, we all have much to do to try to increase our production in a fiercely competitive world market so that employers can stay in business and give the working people of Canada the benefits of technological change, at the same time maintaining full employment. This is the challenge of the 1970's. Management and labour of this country can and must co-operate to help all Canadians build a greater country in which all of us may live.

• (1630)

In closing, Mr. Speaker, like my friends, the hon. member for Moose Jaw (Mr. Skoberg) and the hon. member for Regina-Lake Centre (Mr. Benjamin), I have worked in an industry that has been hard hit by technological change. We have all been affected financially by the results of the change and it is very hard to watch thousands of your fellow workers lose their jobs after many years of long and faithful service and be forced to try to build new lives for themselves and their families.

I sincerely hope that this legislation will help cushion the shock of workers losing their jobs in a fast changing society, so that all workers can be retrained and become productive members of our Canadian way of life and we can have industrial peace in Canada.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, this bill was introduced at a time when the Canadian people, especially the people of Quebec, can say that labour relations are not peaceful.

The preamble to Bill C-183 could lead us to believe that those who drafted this bill were really inspired by lofty principles. However, we know that given objectives are not always achieved, and the past has proved that though certain principles motivated the introduction of this bill, its application may be entirely different.

The measure introduced by the Minister of Labour (Mr. O'Connell) deals with several points. First of all, it deals with the extension of collective bargaining. It also deals with the creation of labour relations board, with an erroneous definition of unfair practices, with the settlement of labour differences through the intervention of the minister as well as the procedures for the application of collective agreements.

Those are surely issues of current interest.

In addition, Bill C-183 provides a few amendments for the enforcement of the legislation when technological changes are involved.

Hereafter, an employer bound under a collective agreement who intends to make a technological change will have to give to the union a written notice 90 days before making it.

One can wonder, Mr. Speaker, whether a 90-day period will alter the present market for unsold products.

It is true that workers need a certain protection to guarantee their job and to avoid dismissal.

On the other hand, the manufacturer is compelled to make certain changes in his plant and to carry out new ideas, either to maintain his competitive position or to reach a high level of efficiency.

It is a well known fact that workers lie at the employer's mercy.

One must bear in mind that when a company or an industry is created, when industrialists decide to invest somewhere, it is not in order to provide work for people but simply to make money. We know that if it does not pay, it does not take long for them to scram.

We remember the poor work and pay conditions that labour experienced not so many years ago. And it is this situation which, in my view, has incited workers to unite in order to claim better conditions and pay.

In short, unions arose from a requirement. In my view, they will remain in several instances an essential instrument and way of protecting workers, as long as they are directed by leaders who are conscious of their responsibilities and the means used are sensible when it comes to remind some industry heads of their social responsibilities.

There have already been, and there can be more concrete results following negotiations when there is something to negotiate about. However, I see nothing in the bill likely to force a plant to remain open. And precisely because of closing down of operations, whether in the area of Montreal, of Trois-Rivières, of Quebec City or of Saguenay-Lac Saint-Jean, it too often turns out that the worker must accept the status of unemployment.

Everyone is aware, for instance, of negotiations undertaken a few months ago, not to say a few years ago, and pursued by the CNTU on behalf of the "Lapalme boys". Now all the efforts of this union with Mr. Lapalme remained without result for the simple reason that Mr. Laplame, a former post office contractor, had just decided not to renew his contract.

Therefore no law can constrain businessmen to remain in business when it does not suit them.

And even though there is often a tendency to consider the employer as a big bad man, it should not be forgotten that he also has problems.

First he must keep up with technological change which requires considerable investments, and furthermore he must keep up with trends and major changes in the markets.

For the manufacturer, for the employer, another source of trouble is often the income tax. And it is not the least, Mr. Speaker, when one considers the income tax being paid by them.

Frankly, it is rather difficult for us to take a hard stand where the interests of some workers and some employers are concerned.

Industries able to provide work for hundreds of workers and with a turnover of several thousands of dollars are not always free of debt.

And even if powerful trusts do control such strong enterprises, we all know that some medium size industries, which play an important part in our economy, having been launched with very small capital investments, have managed to reach a certain level of prosperity and to obtain a fair share of the Canadian market. If those industries have managed to do that, it is simply through the great skill of their directors and also sustained and titanic efforts.

And it happens that the income tax act provides that such medium size industries shall pay their income tax before paying their debts.

In my opinion, such a procedure is absurd and as unfair as it is dangerous, since the survival of our employers in many cases is directly threatened by that bad tax system.

Under such a tax system, in allegedly prosperous years, our medium size industries can barely make it. It is useless for them to think of expanding or building reserves for bad days.

• (1640)

We all know that turnovers may vary greatly from year to year, especially in manufacturing.

We also know that the profit margin may vary. So, for a given year, the industrialist whose financial statement is fairly good has to pay a large amount in taxes, regardless of what his debts may be. If business changes for the worse he may even have a deficit and be compelled to borrow in order to remain in operation.

During rather good periods, the same person has often had to pay sizeable amounts in taxes. I know personally of the amounts paid by an industrialist who employs 75 people. The turnover increased thanks to the superhuman efforts of the workers under bad conditions. Despite everything, this man had, for three years, paid $25,000 per year in federal taxes.

But with a plant where everything had to be rebuilt, with an extremely small warehouse, he decided to borrow from the Industrial Development Bank in order to expand his undertaking. Today, he faces a changing market with a heavy financial burden and he is now wondering whether he should carry on his business or simply close down.

Mr. Speaker, I think it is not normal that a manufacturer paying $75,000 to the federal government within a three-year period should have to face a $125,000 debt. In short, this man has to pay high interest on money he has already paid to the government. This is ridiculous.

I wonder if the present government, with all its experts, should not contemplate a system keeping in reserve the taxes paid up by manufacturers.

In case of real profits, the government should collect taxes and use that money to administer the affairs of the country. But this money, as I say, could remain the property of industrialists. A special account could be open for them so that they could use it whenever needed.

Thus the businessman who has allowed the government to use several thousands of dollars of his money over a number of years should also have the right to use this money whenever he needs it, and without any interest. Unfortunately, until now the tax has been strictly collected to serve only the government administration. Therefore, it seems to me time has come to think of something else.

The Canadian government, whose wish is to establish a just society, could establish a precedent in allowing industrialists to use this money, interest free; after all it is their own money that they have lent to the government during the years when their business was prosperous.

Mr. Speaker, if there are some bad businessmen, there are also a great many good ones who recognize their responsibilities towards their employees and who are also entitled to reasonable profits. The employee has always the right to live. Personally, as a member of Parliament, the majority of complaints I receive from ill-treated labourers are not coming from people who work in industries, whether small or large, but rather from federal government employees. In my view this is in striking contrast with the fourth paragraph of the preamble which reads as follows:

> And Whereas the Parliament of Canada desires to continue and extend its support to labour and management in their co-operative efforts to develop good relations and constructive collective bargaining practices, and deems the development of good industrial relations to be in the best interests of Canada in ensuring a just share of the fruits of progress to all;

Mr. Speaker, this preamble simply states that the Canadian government desires to serve the genuine interests of the people by insuring that everyone gets a just share of the fruits of progress. It is somewhat unusual to read such statements in the preamble of a bill when this government does not hesitate to reclassify some of its workers to avoid paying them a salary increment. At this point, I will take the liberty of reading a letter I have received from the Quebec local of the Canadian Union of Transport Employees. It reads as follows:

> Mr. Roland Godin
> M.P. for Portneuf
> Parliament Buildings
> Ottawa, Ontario.
>
> Dear Sir:
>
> Some members of our local, which is a member of the M.D.O. group of the Quebec City airport, have submitted to us their grievances concerning the reclassification decided by the Department of Transport in respect of these employees.

In view of the present circumstances marked by an ever increasing cost of living, you will realize the confusion besetting these employees who are now faced with a salary decrease as a result of that reclassification.

We join them in their emphatic protest against a move we consider both unrealistic and inhumane.

These employees suffer the consequences of this reclassification with their hands tied up and can absolutely do nothing to offset the situation.

To alleviate this inequity, we suggest that section 7 of the Public Service Staff Relations Act be amended to enable the public service to negotiate the classification criteria by which we are now victimized through no fault of our own.

This letter is signed by the secretary of Local No. 10109.

Mr. Speaker, there is a marked difference between the bill preamble and what actually happens. Unfortunately, Department of Transport employees are not the only ones to complain since this juggling with the employees' classification is also taking place in the Department of National Health and Welfare.

For example, before integration in the Department of National Health, family allowances and old age security section in Quebec City, certain employees of the Department of Supply and Services which were working in Quebec City in the transfer unit were classified CR-2 with a yearly salary of $4,900 while those holding the same position in Toronto were classified CR-3 with a salary $1,000 higher.

This enabled the Quebec City office to have an administrative surplus of $107,000 for 1969-70; this amount was transferred to Toronto and allowed this office to pay the salaries I just mentioned.

It is unfortunate, Mr. Speaker, but I must point out that this deplorable situation still exists in Quebec.

If the hon. Minister for National Health and Welfare (Mr. Munro) wants proof that the Quebec employees of his department are underpaid, let him read the duplicate of a grievance at the 4th stage signed by his deputy minister, Mr. Willard, which indicates that all positions in the family allowances units will be classified CR-3, starting June 1970. Even though the grievance settlement provides for a retroactive adjustment to June 1970, nothing has been done as yet.

Moreover, some hourly paid employees of the Quebec offices have not yet been appointed permanently and even after three years are still getting very low salaries and are deprived of all the benefits which they would otherwise enjoy.

As for the permanent employees here is what happened.

The employees held a well determined position, performed specific duties and were classified at level CR 3 whose numerical assessment was 424. One day the department decided to amalgamate all units into a single one, which meant that an employee who worked within a given unit—transfer, Indians, Eskimos, school attendance, maintenance and residence—had from then on to do the job of all those units, not to mention book-keeping. In order to do all this they had to get acquainted with the proceedings of all those units, which logically could only increase those five points used to assess a position: knowledge, complexity, consequences of errors, contact and supervision. According to the national bureau that raised the numerical assessment from 424 to 434. Some time later the assessment of those people was raised from 434 to 441. Since the numerical code of a CR 3 varies between 324 and 450, that gave them the opportunity of reaching a higher level.

Now, what happened was that classification officers probably did their work half way, with their feet up on their desks, and finally assessed the new position at 401. Since the Public Service Alliance of Canada had classification officers who could do that work, employees at the Quebec office asked that the same positions be assessed, and precisely, the Public Service officer came up with a figure of 471, which would have allowed employees to be paid according to the scale and salaries in force in Toronto.

Mr. Speaker, this situation exists in Quebec. This is abnormal, and I think that since members of Parliament receive the same salary no matter what area of the country they live in, whether they come from Halifax, Vancouver, Toronto, Montreal or Quebec City, the Department of National Health and Welfare, which has to concern itself with and look after the welfare of every Canadian, should do its utmost in order to eradicate the difference of $1,000 between salaries paid in Toronto and Quebec City for the same duties.

Mr. Speaker, in this bill they even have the gall to talk of freedom, and clause 110, on page 7, reads as follows:

Every employee is free to join the trade union of his choice and to participate in its lawful activities.

But the word "freedom", Mr. Speaker, is a big word which has several uses. I can tell this House that it is a word which has a hollow ring, for instance, for Canadian National employees. If the individual is really free to do as he likes where unions are concerned, how is it then, that a section which appears in the small brochure on agreements published by the CN provides that unions and railway companies have to unite whenever it is necessary to sue a union member?

If the worker wants to sue his union or the railway, he already knows that he will have to fight both. So, he stands no chance of winning.

It has also been referred to "freedom" but this is a little untrue, as it is well known that today membership in a union is compulsory, at the risk of losing your job. Before the implementation of the Rand formula, this obligation did not exist.

I must say here that this is not true of all unions, because there are still some union leaders who work, but I say once more that in the case of our Canadian railways, the unions do not work so well.

And we have proof of this, for before the Rand formula was first implemented, railway employees were the fifth or sixth best paid Canadian workers. Since the formula became compulsory, as union leaders get their union dues whether they work or not, railway workers who again ranked sixth fell down to twenty-sixth position.

• (1650)

According to a federal government survey whose results were published recently, of $69 million in union

dues paid to unions whose central offices are located in the United States, $10 million represent a net profit remaining in that country. How is it, then that railway workers' union dues are increased without prior consu'tation with them and that the railway companies subtract such dues from their pay cheques without asking for their consent? We know that railway employees paid $1 per month in union dues. A little later, in accordance with the Rand formula, those dues rose to $2.50, later still, they were $4.50 and now, in some cases, they are $7.50, $8 or $9. We know also that today the unions may even ask for $50 per month, and no worker can say anything about this.

Mr. Speaker, it is not surprising that railwaymen are always told: Ask your unions, they will pay for you. Such Canadian employees are in no position to plead their own case. When they attend an annual meeting for instance, they may be told: There will be a discussion on the internal administration of your local union. If you have complaints make them to the union headquarters in the United States.

In fact, at least 30 CNR employees sent letters of protest to their U.S. union headquarters in 1967 and they are still waiting for an answer. Such behaviour is far from being satisfactory.

I think we should recognize the right of workers to be consulted and to really share in decisions concerning their work and union contributions. I believe they should also be entitled to select their own representatives when negotiation time comes.

Mr. Speaker, I am sure there are many cases where the trade unionist cannot get the advantage of certain laws. He should also demand that the machine be at the service of man instead the other way around as it is being done nowadays.

Therefore, we should call for a thorough measure and not only a bill like the one now before us. This measure will be of value to very few people; it should be of a more general nature and universal in its application. Otherwise, it will boon be retrograde and will even become unjust before long.

Mr. Speaker, in concluding I should like to emphasize that the Canadian government really has a long way to go if it wants to be able to say that Canada is a place where life is worth living, a place where a worker may still chose his kind of work freely.

[*English*]

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in many ways this bill seems to meet with general approval with regard to some aspects and considerations. I should like to confine my remarks largely to technological change which is the one area that has created considerable comment from industry, particularly as applied to the old bill. With the changes in the new bill, certain improvements seem to have been made.

While the bill seems to go a considerable way in meeting the objections of industry, it seems quite obvious that the passage of the bill will in the future create some difficulty in interpretation. It is quite difficult to define technological change. Many others changes occur that are allied to technological changes such as tariffs, delivery, wages, prices, depletion of resources and so on. These create conditions whereby change is necessary and cannot be disregarded, in spite of the situation in which industry or employees find themselves. In relation to technological changes and their effects, there is the very human social element of protecting an employee and his family who may suddenly find himself without a job as a result of technological changes beyond his control. In the new bill consideration has been given to the fact that the provision for a strike occurring during the life of a contract would act as an incentive for parties to include technological change provisions in a collective settlement.

The inclusion of the right to strike during the life of a union agreement, as has been suggested, causes other problems such as using the harrassment technique where the unions would threaten to appeal to the Canada Labour Relations Board on technical change provisions in order to get action on some other demand. It has also been suggested that it would cause many more negotiations, that is every innovation would require negotiation unless there were some very elaborate technological change provision in the contract beforehand. The Chamber of Commerce suggested that, in the face of increased industrial conflict, this would be an improved feature in the new bill. It has been suggested that objections to technological change would reduce benefits to everyone. This slower rate of change would be controlled by the labour union rather than by management. As was suggested, this would eventually mean increased costs and perhaps increased prices for consumers and would increase the risk in capital expenditure, ultimately driving up the price of the product in the economy.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Fundy-Royal (Mr. Fairweather)—Public Service—Settlement of contracts on regional basis; the hon. member for Kootenay West (Mr. Harding)—Pollution—Great Lakes—United States veto of sewage disposal projects—effect on joint program.

[*Translation*]

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

World Problems Study Centre

• (1700)

[*English*]

PRIVATE MEMBERS' MOTIONS

EXTERNAL AFFAIRS

PROPOSAL TO ESTABLISH CENTRE TO CO-ORDINATE STUDIES OF WORLD PROBLEMS

On the order: Private Members Notices of Motions.

That, in the opinion of this House, the government should consider, in furtherance of the objectives of the United Nations, the establishment and operation in Canada of a world centre to program and administer co-operation between and co-ordination of the efforts of experts and institutions in their studies of compelling world issues respecting (a) international relations and peace (e.g. problems of peace-keeping, arms control and disarmament, human rights and intercultural communications) (b) global problems of development (e.g. the use of natural resources, international trade and problems of developing economies, transfers of science and technology, population problems and concerns of youth) (c) the environment and, in particular, the impact of science and technology on the environment.—Mr. MacDonald (Egmont).

Mr. Knowles (Winnipeg North Centre): Stand.

The Acting Speaker (Mr. Laniel): This can only be done by unanimous consent. This motion has already been stood, and it should be dropped unless it is agreed by unanimous consent that it stand.

Some hon. Members: Stand.

The Acting Speaker (Mr. Laniel): Is it agreed that Motion No. 4 stand in its place.

Some hon. Members: Agreed.

Motion stands.

* * *

MARINE RESOURCES

PROPOSAL TO ESTABLISH PROGRAM FOR RECOVERY AND UTILIZATION OF RESOURCES

On the order: Private Members Notices of Motions.

That, in the opinion of this House, the government should consider the development, encouragement and maintenance of a co-ordinated, comprehensive, and longrange national program for the recovery and use of the resources of Canada's sea-coast waters and continental shelves; and to this end, effectively utilize the scientific and engineering knowledge and skills of the public service and government agencies and co-operate with private investment enterprise in the exploration, technological development and industrial use of the resources of the marine environment of Canada.—Mr. Forrestall.

Mr. Knowles (Winnipeg North Centre): Le même chose.

The Acting Speaker (Mr. Laniel): Is it unanimously agreed that this motion stand in its present place?

Some hon. Members: Agreed.

Motion stands.

[The Acting Speaker (Mr. Laniel).]

PENSIONS

PROPOSAL TO AMEND OLD AGE SECURITY ACT AND CANADA PENSION PLAN TO PROVIDE INCREASED AMOUNTS

Mr. Stanley Knowles (Winnipeg North Centre) moved:

That, in the opinion of this House, the government should give immediate consideration to the advisability of amending the Old Age Security Act and the Canada Pension Plan to provide for the pensions payable under these two acts to be available at age 60 to all persons who meet the other requirements of the said acts and are prepared to withdraw from the labour market, and also to provide for the basic amount of the pension payable under the Old Age Security Act, at age 60 for those not in the labour market and at age 65 for all others, to be increased to $150 per month, for this basic amount to be escalated each year by an amount that will enable pensioners to keep up with rising living costs and to share in rising living standards, and also for the elimination of any means or income test from the Old Age Security Act, so that the full pension thereunder will be recognized as the established right of all our people.

He said: Mr. Speaker, during the years that I have been in the House of Commons I have received many thousands of letters on the subject of pensions, the overwhelming majority of them approving of various proposals I have made. However, I must say that seldom have I had the volume of support that I have received in connection with this motion.

If my mail says anything, it says that the people of Canada are strongly in favour of improving our pension arrangements, and in particular they like and approve the idea of the necessary steps being taken so that those who wish may retire at age 60 and receive sufficient pension to make that retirement possible.

I know, Sir, the usual treatment that is given to private members' motions in this hour. They are usually talked out, sometimes with kindness and approval, but nevertheless they get talked out.

Mr. Francis: You fare no better if they are passed. I had one passed.

Mr. Knowles (Winnipeg North Centre): The hon. member says he had one passed, and fared no better. I suppose that is true. I have had many motions talked out, but I have had the pleasure of seeing the principles involved accepted a few years later. Even so I would hope that the House might consider this motion today as one that does represent the thinking of members in all parties, and the thinking of many Canadians, and that it might just let it come to a vote, might just let it pass and say to the government that the House of Commons would like the elements proposed in this motion to be given consideration.

There are, as will be clear to anyone who reads the motion, four basic elements to it. In the first place it asks for the Old Age Security Act and the Canada Pension Plan to be amended to make it possible for people to draw their pensions under those two pieces of legislation at age 60 if they leave or are out of the labour market.

The second element in the motion is one that calls for an increase in the amount of the pension to be paid under the Old Age Security Act. My suggestion is one that I have made quite a few times, and I shall stick with it until we win it. It is that the amount ought to be, as of now, not less

than $150 a month. I make the point that if we are going to take steps to permit people to retire age 60 then the amount of pension they will receive must have some form of adequacy or it will be meaningless just to give them the right to retire.

The third element in my motion relates to the escalation of pensions. For a while it did look as though we were moving ahead with the principle of escalating all pensions. We do it with respect to the pensions of retired public servants, retired RCMP personnel, retired Armed Forces personnel, retired members of parliament if they are over 60, and a few other groups. We also do it for those who are on the guaranteed income supplement. In their case the legislation still provides for an escalation of up to 2 per cent of the entire amount they are receiving. However, the government in December, 1970, brought in a piece of legislation that took away the escalation of the basic pension, which since that time has been fixed at $80 a month.

But this is a bit of digression which I ask to be regarded as part of my defining the third element in the motion which is to the effect that all pensions ought to have an escalator clause. In fact I think the rule should be established that a pension is not a pension if it is for a fixed amount for all time. There must be provisions for an escalator clause. We must also get to the point where we realize that escalation itself is without value unless it is realistic, unless it enables the pensioners concerned to keep up not only with the rising cost of living—and a two per cent increase when the cost of living goes up by five per cent is not good enough—but also with the rising standard of living. In my motion I put it in those terms by suggesting that there should be an annual escalation "by an amount that will enable pensioners to keep up with rising living costs and to share in rising living standards."

The fourth element in my motion is one that relates to the income, needs or means test that is applied to the guaranteed income supplement, which I feel should not be in the Old Age Security Act at all. I deal with this by asking for, "the elimination of any means or income test from the old Age Security Act, so that the full pension thereunder will be recognized as the established right of all our people." Let us pay the full pension universally, and let the income tax take it back from those who do not need it.

Sir, I feel that each of these four points is important. Perhaps in an immediate sense, thinking in terms of the persons who are on the pension at the present time, the most important is that the amount of the old age security pension be increased to $150 a month.

The other points, the escalation, and the removal of the means test are likewise of great importance. But I suppose I must say that if there is a reasonably new element in this motion it is the one that calls for lowering the eligible age. In the long run I think that is the most important one, for those who will be pensioners if this change is accepted, for those who will be pensioners in the future, and for our economy as a whole.

• (1710)

There was a day when work and the volume of work was such that retirement at age 65 was the accepted thing. I recall that many years ago when I started arguing and presenting private members' motions to reduce the eligible age from 70 to 65 some hon. members said that it was impossible. Even so, we finally got it down to age 65 for old age security. In the Canada Pension Plan we have the option that a person may draw benefit at age 65 or keep on working and contributing in the hope that the benefit might be larger by the time he reaches age 70. But, Mr. Speaker, the nature of work has changed and so has the philosophy of life. We have come to the realization that old age should not be just a few years when body and soul are held together until it is time for the graveyard; that it is a period of life in which old people, like young people, should have a chance to pursue their own interests, to do their own thing. If old age is to have any meaning in those terms it has to start while people are still capable of adapting to new ways of life. I suggest that 70 is old for that and so is 65—60 is a better age. If there is any criticism in the letters I receive, it is that retirement should start even younger than age 60, perhaps 55.

An hon. Member: Forty-five.

Mr. Knowles (Winnipeg North Centre): I hear one of my 45-year old friends wanting it lower still. I suggest, Mr. Speaker, that in terms of the philosophy of life it is a sensible proposal to advocate voluntary retirement on pension at age 60. I emphasize the voluntary nature of this. Anyone who examines my motion carefully will see that I am suggesting that the one condition people must meet to come under the terms of the motion in addition to age, residence and so on, is that between the ages of 60 and 65 they are either out of the labour market or prepared to take themselves out of it.

As with the Canada Pension Plan I suggest that other income that one might have between ages 60 and 65, another pension, interest on investments, ownership of a house, and so on, should not count. These do not count now under the Canada Pension Plan between 65 and 70; the only thing that counts there is income from employment. I would like to have it that in both the Canada Pension Plan and under the Old Age Security Act, between the ages of 60 and 65 you can have all the other pension income you can garner, you can have various forms of income but the one thing you cannot have is income from employment and still expect to draw pension from either piece of legislation.

There is a fair amount of opinion to support the idea that there should be provision for a spouse who is under the age of 65 to receive the old age pension. This has been proposed in this House and I have supported it. I suggest this motion would take care of that to a considerable extent; perhaps it is all we need. In the usual case the husband is a little older and if he wants to work to age 65 when his wife is somewhere between 60 and 65, under this provision she could draw the pension without waiting until she reached 65. I think if hon. members will look at the motion as a whole they will realize that it meets the kind of situation that has been set out in this House a number of times and that we feel ought to be dealt with as soon as possible.

The other thing to be said and said very strongly on a proposal of this kind is that it is a way of doing something

about the unemployment problem that faces our young people. It seems a bit silly to keep the old man working past 60 and put younger people on grants to do something that can be thought up just to keep them from doing nothing. Why not pension the old man and let the young person have the job? I do not suggest this as a complete solution to the unemployment problem. The statistics I saw today suggest that there are just over 700,000 people in Canada between 60 and 65. I was not able to ascertain how many of those are in the work force, but bearing in mind that most unemployment is amongst the younger people there is a pretty good possibility that 250,000 to 300,000 of the 700,000 people between ages 60 and 65 are employed. I would guess that at least half of them, if they were given the opportunity to retire and draw the full old age security pension, particularly at $150 a month, and to draw their full Canada Pension Plan benefit and any other pension they might be entitled to from industry, would leave the labour force and take advantage of this proposal. I submit that we would create perhaps 150,000 or even 200,000 jobs. That does not completely solve the unemployment problem but it makes a bigger hole in it than I see in some of these press releases that come to our desks about the number of jobs created by certain departments of government.

I also point out that if you increase the purchasing power of the people over age 60, both those not now working and in effect those whom you retire, it would create a demand for more goods and services which in turn would create work and make a significant contribution to the solution of our present unemployment problem.

Therefore, Mr. Speaker, because this resolution makes such eminent good sense, because it expresses views I have heard expressed by members in all parts of this House, because there is such wide public support for it, I submit it to the House this afternoon in the hope that the House will indicate that it favours the elements of this resolution, particularly a lowering of the eligible age on a voluntary basis, increasing the amount of pension, putting the escalation on a realistic basis, and doing away with a means or income test so that the pensions our people receive when they retire will clearly be theirs as a matter of right.

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

Mr. Deputy Speaker: If the hon. member will accept the question.

Mr. Knowles (Winnipeg North Centre): Gladly.

Mr. Francis: I have listened carefully to the hon. member and I have read his resolution. I will quote the last part of the resolution which reads:

—for the elimination of any means or income test from the Old Age Security Act, so that the full pension thereunder will be recognized as the established right of all our people.

The first part of the resolution reads:

—the advisability of amending the Old Age Security Act and the Canada Pension Plan to provide for the pensions payable under these two acts to be available at age 60 to all persons who meet the other requirements of the said acts and are prepared to withdraw from the labour market—

[Mr. Knowles (Winnipeg North Centre).]

May I ask if the retirement test is clearly to be part of the Old Age Security Act between ages 60 and 65 under the hon. member's resolution?

Mr. Knowles (Winnipeg North Centre): That is correct. The retirement test would be an additional point that would have to be met but only between ages 60 and 65. Over 65 there would be no retirement test, just as at the present time there is no retirement test under the Canada Pension Plan over age 70.

Mr. Francis: Would the hon. member concede that there might be some difficulty "for the elimination of any means or income test from the Old Age Security Act" because there is a fine line between a means or income test and retirement test under many circumstances. Would that not sometimes create difficulties of administration?

Mr. Knowles (Winnipeg North Centre): If the hon. member is asking my opinion, I do not think it would. This business of whether it is a means test, a needs or income test is a matter of definition. I would call what we now have a means test and my hon. friend would call it an income test. As for a retirement test, we already have one in the Canada Pension Plan and the administration of that plan has had plenty of experience in drawing the line between a means or income test and a retirement test. All I am suggesting between age 60 and age 65, in the case of either pension, is the retirement test, namely, that a person is out of the labour market.

• (1720)

Mr. David Weatherhead (Parliamentary Secretary to Minister of State for Urban Affairs): Mr. Speaker, it gives me great pleasure to take part in the debate this afternoon on the notice of motion of the hon. member for Winnipeg North Centre (Mr. Knowles) with respect to increasing pensions for senior citizens. I am especially happy to do so because this matter is of great concern in Metropolitan Toronto, the city I come from, and very important in Scarborough West, an area which has more than its share of senior citizens, being one of the oldest suburban areas of Metropolitan Toronto. Even though the government has considerably improved the lot of senior citizens in recent years, and rightly so, by introducing the guaranteed income supplement, which I believe now is at $137 for the senior single citizen, including old age security pension, and at $260 for senior citizen married couples, that supplement not being taxable as of January 1 this year, and even though the government increased income tax exemptions for single people to $1,500 and to $2,850 for married couples, the government has, for the first time, brought down an additional $650 exemption for senior citizens age 65 and over.

Mr. Gilbert: That is not enough.

Mr. Francis: And the qualifying age was reduced from 70 to 65.

Mr. Weatherhead: As the hon. member for Ottawa West (Mr. Francis) rightly observes, the government reduced the qualifying age at what senior citizens may receive the guaranteed income supplement from 70 to 65. These are

big improvements. Also, let us not forget the heavy involvement of the federal government in the building of senior citizens homes.

Mr. Alexander: Not enough are being built. The situation is terrible.

Mr. Gilbert: I agree.

Mr. Weatherhead: I am talking about the heavy involvement of the federal government in senior citizens housing. We supply most of the money for building senior citizens homes. We should not forget an area that, until recently, was the subject of much controversy, the area of medicare. Substantial benefits are available to senior citizens under our medicare program, and particularly to those in great need, for senior citizens probably need medicare more than any other group. This program is now *fait accompli*, and its accomplishment is now passing into history. Yet the medicare legislation was proclaimed less than four years ago.

However, as the hon. member for Hamilton West (Mr. Alexander) and the hon. member for Winnipeg North Centre as well as others would no doubt say, much remains to be done for senior citizens of this country. They are the ones who made the country what it is. Before most of us were born, they went through the great war, they went through the great depression and, later, some of them went through the second world war. Some of us were around then. Those are the people who, during long decades, earned low and, in many cases, fixed incomes. Only in their later working years could they earn the greater incomes that our younger people have been able to obtain. Therefore, I think there is a good case to be made on their behalf, and the federal government should look on their circumstances with compassion.

I must confess that I am in sympathy with much of what the hon. member for Winnipeg North Centre has said about senior citizens. I am in sympathy with many of his philosophical ideas in many areas. Nevertheless, I am surprised that an hon. member who has been here for nearly 30 years can speak about increasing senior citizens' pensions without once mentioning how much those increased pensions would cost us. As I said, I am in sympathy with much the hon. member says. I work with him on committees and appreciate the great deal that he does. I also appreciate his strategy in what he is doing. Yet it seems strange, as I see it, that an hon. member can make a speech advocating substantial increases in pensions to certain senior citizens and advocating that the qualifying age be reduced to 60 for those not in the labour market, a change which might affect perhaps half our senior citizens, and not mention once, as I remember, the cost of this additional increase.

Mr. Knowles (Winnipeg North Centre): That was the government's answer to a $20 pension 50 years ago.

Mr. Weatherhead: I confess I decided to speak about an hour ago and haven't had much chance to research my figures. I am willing to be corrected if my figures are wrong. Speaking from memory, I think there are about 1,700,000 senior citizens in this country at present; and of these about 1 million get either the whole of the guaranteed income supplement or some part of it. About 700,000 senior citizens presently get the basic $80 per month. It seems to me that increasing the pensions of the 700,000 senior citizens who now get the $80 per month basic pension and no GIS to $150 a month would cost us nearly $600 million a year. I am talking about those who get their pension at age 65. Secondly, if you increased the pensions of the one million or so senior citizens who are getting the guaranteed income supplement, and, on average, they get about $120 a month, a figure which is pretty close, the expense would be about $360 million a year. Those are my rough calculation, increasing the pensions of people over 65 in the way the hon. member suggests would cost the taxpayers of this country approximately between $950 million and $1 billion a year. That is an additional cost.

However, that is not the end of the financial calculation, because the hon. member for Winnipeg North Centre has come up with an interesting and worthy idea for getting workers of 60 and 65 out of the work force. I do not think he suggests that this would solve the unemployment problem by any means. His idea I think is that if we could get about 150,000 senior citizens between 60 and 65 out of the work force, there would be more jobs for the younger people, the group with the highest unemployment rate. I think we ought to discuss this theory about whether people between 60 and 65 want to retire, and whether they are better off as retired people or as working people. There really is not much time this afternoon for me to go into this since others wish to speak on the motion.

Coming down to the financial end of it, and that is not the only consideration by any means, one can say several things. The hon. member has spoken about 700,000 people between 60 and 65 who are in the work force. I thought the figure was closer to 1 million; however I will accept the hon. member's figures since he has done some research and I have not had much chance to do any. Let us say that of these 700,000 people, half are out of the work force already. Of course, the half of those between 60 and 65 who are no longer in the work force include married women who once worked but no longer work, men who have retired early through sickness, company options, and that sort of thing. I think at least half of the 700,000 people the hon. member referred to are not in the work force.

• (1730)

If we do not entice any other people to leave the work force between the ages of 60 and 65, I believe the additional cost of giving $150 a month would be roughly $630 million a year. Then, if we were successful in enticing a further 100,000 to leave the work force, the cost to the taxpayers would be an extra $180 million a year. I realize that what senior citizens are entitled to receive and what they deserve to receive is not a matter simply of dollars and cents, but it does seem to me there is need for a measure of financial responsibility even when we are talking about people for who we care so much. Unless hon. members can find some great fault in my admittedly rough arithmetic, I would suggest that the proposal of the hon. member for Winnipeg North Centre, which would cost between $1.75 billion and $2 billion a year, would be a difficult burden for taxpayers to bear. I might remind the House that we have recently been discussing the idea of a

guaranteed income for all Canadians at a cost of perhaps $2 billion a year. So hon. members can appreciate just how much money we are talking about this afternoon.

As hon. members sometimes do in their own speeches, I should like to express agreement with parts of the hon. member's motion. I agree we have no excuse whatsoever for failing to provide for annual increases in connection with the guaranteed income supplement and the basic old age pension corresponding to the actual increase in the cost of living during the previous year.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Weatherhead: The hon. member refers in his motion to the basic amount being escalated each year by an amount which would enable pensioners to keep up with rising living costs and to share in rising living standards. Frankly, I cannot understand why this has not been done. I know there are some who would argue that the guaranteed income supplement has been increased by a large amount and that this increase is going to people who need it the most. It is said we cannot afford to give an annual increase to people drawing basic old age security pensions. I feel that most of the people drawing basic old age security pensions cannot by any means be considered to be wealthy even though they may have a little more than the ceiling established in connection with the guaranteed income supplement regulations.

It is true that there are a few E. P. Taylors about, a few wealthy people—lawyers, doctors, dentists and a few others who have made good investments and are still working in their late sixties and seventies—but these people by and large are paying high taxes anyway. If we gave them an extra 5 per cent or 6 per cent on their pensions, whatever the figure might be, we would get most of that money back by way of income tax in any event. For these reasons I believe it is essentially a phony argument to say that all those who are not receiving the guaranteed income supplement are well off. They may have a little more coming in than the others, income from a few stocks and bonds, but they are not well off. It would be much better, in my view, if we could give them a fair increase every year.

We all receive letters on this subject from retired schoolteachers and others who are now finding it difficult to get along on their pensions. My primary concern, of course, is for the people who have no extra income at all; for the two-thirds of our senior citizens who have no other source of money. At the same time, we should strive to make the old age security plan fair and meaningful and the best way of doing so, while not bankrupting the treasury, is to make provision for reasonable increases each year in line with the actual increase in the cost of living.

One area in which we can increase pensions without placing too great an additional burden upon the treasury is that of the guaranteed income supplement. Senior citizens in receipt of these payments are now getting $137 a month, which is a lot more than they received a couple of years ago. But it is still well below the poverty line. Two senior citizens who are married and living together can possibly get by because their expenses can be shared, but single people especially are being asked to live well below the poverty line. I agree with the hon. member that these senior citizens should be entitled to $150 a month rather than $137 a month as at present. If we were prepared to allow annual increases based on actual increases in the cost of living, we could go a long way toward giving this important part of our population its just due.

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, until half an hour or so ago I was not aware that this motion would be discussed today. I do not particularly wish to say anything in rebuttal of the contentions put forward by the hon. member for Winnipeg North Centre (Mr. Knowles) or the hon. gentleman who has just spoken. It seems to me it would be very easy to say that the pension should be raised by a more or less arbitrary figure. The hon. member for Winnipeg North Centre suggests $150 a month, and the hon. member across the way seems to agree with him. It would be an easy thing to say, "I think it should be $200 a month," but I would still be pulling an arbitrary figure out of the air.

I do not think a member of the opposition, in particular, should be expected to cite an appropriate figure. After all, the government has access to the work of various boards and commissions, including that of the Economic Council of Canada. The government has this expertise at its disposal and it should be able to arrive at a reasonable and practical figure at which the pension should start, tied to the cost of living, of course.

The hon. member for Winnipeg North Centre says the Old Age Security Act should be amended in order that people may draw pensions at the age of 60, provided they are willing to retire from the labour force. I see this as a means test in itself; at any rate, it is a string attached to the pension. I might say I am not at all convinced that these pensions should be granted without any strings being attached to them. I am willing to accept the government's word that the state cannot afford to provide a reasonable standard of living for everybody who reaches a certain age. While I agree that that is the ultimate, barring that I think the emphasis should be placed, as indeed it has to some extent, on those who are actually in need. Therefore, I do not agree that $150 is the magic figure, because it might be even more than that; I do not know. However, our pension provisions are due for an overhaul and the government should have those people who are expert in this field produce a reasonable, sensible starting point for a new pension scheme.

• (1740)

I subscribe wholeheartedly to escalation of pensions. I suspect that the reason various governments are not too receptive to this suggestion is that this would remove pension increases from the political arena. With pensions escalated on a regular basis tied to cost of living increases, no government in need of a few extra votes would in an election campaign be able to promise an increase in the old age pension. As I say, I subscribe 100 per cent to this suggestion, knowing that within the next year or so we will be forming the government. Even so, I do not think we would want to be subjected to this kind of temptation and this is why I endorse the proposal to remove it from the political sphere.

With regard to eliminating the means test, as I have indicated I do not think I could subscribe to this in light of

present conditions in our country. However, I do think that those with no means of support other than their pensions are entitled to at least a half reasonable living. The Economic Council of Canada has already drawn a poverty line, and although I do not recall the figure at the moment I suggest that this would be a good starting point for paying a pension to those with no other means of livelihood.

Mr. Gilbert: That would be over $150 a month.

Mr. Peddle: If it is over $150 a month, I do not want to be arbitrary but it would seem to me that this is a decent, reasonable starting point without going into specifics. One aspect of pensions on which I welcome the opportunity to support the hon. member for Winnipeg North Centre relates to those receiving the old age pension, having reached the age of 65, and supporting a wife. The hon. member referred to bringing a lady of 60 under the plan. I do not think this would go nearly far enough. For example, in my own part of the country terrible situations are caused where the wives of pensioners are aged 53, 54 and 55. There might be a few select areas in the country where a woman of this age can find gainful employment, but there are none in my part of the country and I suspect there are none in most other parts of the country.

If a man of 65 has a wife the same age, then together they draw a combined pension of $255 a month. However, living next door to them may be a male pensioner who has reached his sixty-fifth birthday and receives a pension but who has a wife of 55 who receives nothing, and although he has the same expenses he has to exist on $137 a month. From a common sense point of view, this is neither just nor decent. I think the government is beginning to recognize that when a man reaches this age he should be given the opportunity to live with certain dignity. I contend that the government should also give him the opportunity of discharging any other obligations he may have to his wife or members of the family who live with him. I support 100 per cent the hon. member's proposal in this regard.

To repeat, rather than pulling any arbitrary figure out of the air, I think the government should keep a close watch on this aspect. If the government pays any attention at all to this kind of debate, I think it should zero in on this problem and try to discharge its responsibility with a degree of common sense and justice. The family income security plan bill will be before the House again within a few days. This bill recognizes that the cost of living increases every so often, but even yet it has no escalation clause. At least, I do not think it has. However, when the bill becomes law it will triple family allowance payments in respect of children of some families.

I suggest the government should not only show great concern for one sector of society; it must show concern for all sectors. I think our old age pensioners are long overdue for further consideration and for a complete overhaul of their benefits. I suggest that those in government circles who read these debates should pay attention to the views expressed and give this situation the attention it deserves.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to say a few words, during the few minutes remaining before recess, in support of this motion by the hon. member for Winnipeg North Centre (Mr. Knowles).

On many occasions already, the hon. member who has seriously examined this problem has submitted motions or bills for the purpose of either increasing the pension rates or lowering the statutory age for becoming eligible. Once again, I commend him for it.

I was very pleased earlier to hear him say that he favoured the payment of a pension to the spouse of the pensioner, even when the spouse has not yet reached the statutory age. Although the hon. member had not dealt with this problem in his motion, he insisted on saying a few words about it during his comments. I think I was, if not the first, at least one of the first to submit a motion in this respect to this House.

I note also that the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) who spoke before me shares the same view.

Mr. Speaker, I suggest this matter is very important and it should be considered as early as possible.

The hon. parliamentary secretary who spoke after the member for Winnipeg North Centre said that after all the cost of such amendments to the Old Age Security Act would be prohibitive. In the Liberal Party, they think in terms of dollars rather than in terms of goods and services that can be offered to the people of Canada, and particularly to senior citizens.

In my opinion, Mr. Speaker, thanks to our means of production which are steadily developing, we could enable a great many people aged 60 or more to retire from the work force and still ensure enough production and services to all the Canadian people without depriving anyone.

This morning, I found on my desk a letter from a senior citizen who receives the old age security pension and the Guaranteed Income Supplement, or $137, starting this month. However, two persons have to live on this one pension; besides, both are seriously ill and it is a well known fact that drugs are tremendously expensive. These people have applied to the Quebec government for additional aid to enable them to pay for the drugs they have to buy every month. This was the reply: We are willing to pay any amount in excess of $30 a month for the purchase of drugs.

This situation, Mr. Speaker, is utterly ridiculous. This couple would have to spend $30 a month out of a total monthly allowance of $137 and would have to live on $107 a month. This is an all too frequent and unfortunate situation wherein pensioners have no choice but to live in poverty and misery. As a stopgap, they have to go without drugs in order to provide for other needs that are as essential as those of health.

• (1750)

Mr. Speaker, it seems to me that—as the hon. member for Winnipeg North Centre indicates in his motion—we do not have to pass that measure at once but rather to consider it. By the way, the parliamentary secretary himself

thought that it contained very important elements and he deplored that the government has not yet taken the appropriate steps. In fact, it seems to me that the cabinet should consider that situation as soon as possible in order to make the necessary changes.

Much could be said in every respect about the merits of this motion, but I wish to leave it to the House to reach a decision this evening on this bill. To conclude, I will support the motion of the hon. member for Winnipeg North Centre.

[*English*]

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker—

Mr. Alexander: Are you for it or against the motion?

Mr. Osler: You will have to wait and listen to my speech; and we would be honoured if you would come into the chamber to do so. I do not think that kind of question really needs to be asked of me, because in the short time I have been in this House I am on record as being in agreement with a great deal of what this motion stands for—and I am, like my colleague, a great admirer of the hon. member for Winnipeg North Centre (Mr. Knowles). He is just across the street from me as far as ridings are concerned, so perhaps I am on a little more intimate terms with him than my colleague. But that does not mean I am disillusioned with him or am not an admirer of his.

I think the words "give immediate consideration" are the hopeful words of this motion, but I must say my priorities are quite different to those of the hon. member for Winnipeg North Centre. I do not believe in the necessity of going back to the universal concept. I do not think the country could afford that. However, I do believe that basic old age pensions should be tied to the cost of living. I suggested a year and a half ago, when the minister first brought forward his aborted bill, that this was the situation. That bill was later withdrawn.

This matter involves the savings plans of all those who do not have a large income but whose income is enough to disqualify their receiving the benefit of the supplement. They should be paid a pension tied to the cost of living. It is the responsibility of the government to see that the cost of living does not go too high; and if it has to shell out from time to time because of an error, the people as a whole should have to pay, not just those who expect to have their basic retirement plans increased by $80. I am not capable of saying whether the country can afford to go higher than $137, but I think pressure should be maintained to go higher. Therefore, I think the government should be asked to consider, as the motion asks, whether or not we can go to $150 at this time for individuals.

Personally, I would rather see some other glaring errors corrected first. Somebody referred to married couples. I think it is a crime that just because a girl married a man a few years older than herself she should find herself, when she is older, not able to take part in the scheme until she is 65. Her husband may be incapable of bringing in the salary to which they were accustomed. I would like to see these hardship cases considered perhaps before anything else. I think it is a crime that some wives feel they are a drag on their pensioned husbands. Many of them cannot work because of health or lack of training, and it is a terrible thing that they should not be able to participate. My priorities would be different from those of the hon. member.

Having said that and having rejected the principle of universality, I suggest the question is fundamental and it would not do the government any harm to again consider it. Therefore I will sit down now and see what happens.

Mr. Knowles (Winnipeg North Centre): Question.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I should like to say a word or two.

Mr. Alexander: I knew it would happen.

Mr. Francis: There is a certain game being played in this House.

Mr. Alexander: This is not a game; we are talking about our senior citizens.

Mr. Francis: Perhaps the hon. member would allow me to speak. He had an opportunity to speak had he wanted to do so, but did not take that opportunity. We have listened to the speeches of three or four members on the other side of the House and the opportunity should be given to us to say a word or two, as is our parliamentary right.

I want to go on record as stating that I think the government should give serious consideration to the escalation formula for old age pensions which is embodied in part of this motion. Let me support particularly the suggestion that there be an increase in the rate of escalation of pensions, because I think the 2 per cent formula has clearly proved to be inadequate in light of experience. I should like to support 3 per cent as being reasonable and feasible. I hope the government will give serious consideration at the earliest possible time to this kind of change, which I know will have to be implemented not only in relation to the Canada Pension Plan and an increased supplement but to a wide range of retirement pension plans including those of the Public Service, Crown corporations, and so on.

The whole question of pensions is a matter of public debate and the creation of a public image or public awareness. The hon. member in bringing forward this motion today is accomplishing just that. As he said earlier in the debate, he is not here to score debating points. He is not concerned whether the motion or certain parts of it are adopted, but with creating public opinion in Canada in respect of measures directed toward increasing the benefit of those retired from the labour force and supporting themselves on retirement savings and the pension.

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock p.m.

At six o'clock the house took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADA LABOUR CODE

AMENDMENTS RESPECTING INDUSTRIAL RELATIONS, LABOUR RELATIONS BOARD, INDUSTRIAL INQUIRY COMMISSIONS AND CONCILIATION BOARDS

The House resumed consideration of the motion of Mr. O'Connell that Bill C-183, to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, at five o'clock I was detailing some of the problems of technological change in respect of this bill. I believe the technological change proposals must be criticized and assessed as a remedy to the problem. The problem is very simple but very difficult to rectify. The problem is to incorporate technological changes into Canadian industries so that they can compete with foreign industries in our domestic and foreign markets. At the same time we must minimize the adverse effects of such change upon members of the Canadian labour force, protect the public interest and carry out our public responsibility.

The present urgency in seeking solutions to this problem is twofold: the kinds of technological change Canada has experienced in the last decade or so have been introduced at a more rapid rate than in earlier years, and current technological change has a far reaching effect on Canada's manpower. The effect of technological change upon manpower requirements is diverse. It is generally associated with a substantial increase in the number of skilled, technical and professional occupations with a slower growth rate for the semi-skilled and unskilled occupational groups as well as among the Metis and Indian populations. I think this can be given as one of the reasons for the difficulty in respect of job placement.

Certain variables in the past few years have accentuated the effects of these trends. The rise in value of the Canadian dollar has made foreign competition more difficult to cope with and has led to a need for increased efficiency in production by Canadian firms. On the other hand, a very high level of unemployment prevents the reabsorption of displaced, semi-skilled and unskilled occupational groups into the labour force. Where Canadian industries have failed to take advantage of technological advance, labour lay-offs have resulted, one example of which is in the pulp and paper industry. Another problem of technological change is that it most often occurs in highly unionized industries.

The effects of accelerating technological change and a high level of unemployment upon highly unionized industries have contributed to uneasy industrial relations in Canada. Obviously, industry and unionized labour have an interest in technological change. It is equally obvious that the Canadian public has an interest. In the first place, the Canadian public is the beneficiary of an efficient and technologically competitive industry, or the financial victim of an inefficient industry that is protected by tariffs or bolstered by government subsidies. In the second place, taxes are variously used to assist industry to make technological changes or to assist employees to weather such changes. In the third place, the public has an interest as the victim inconvenienced by industrial strife arising out of management's and labour's failure to reach agreement on technological change.

The public, through its government, has an interest in technological change and its effects. This public interest is not one of convenience or inconvenience but of responsibility, because the public is responsible for the economic, fiscal, tax, tariff and trade policies of the government of the day. These policies may encourage or discourage an industry from making technological change, or encourage or discourage labour from co-operating in such changes. It is reasonable to assume that the public has a vested interest in the problems of technological change and, arising only from that interest, the right and responsibility to be a third presence, with management and trade unions, in contributing to the solution of such problems.

• (2010)

One area which is clearly difficult to define is what is meant by technological change. It is obvious that where a new machine displaces workers, this will be a technological change. However, there are many other areas where technological change will not be so obvious. Therefore, I think there will be a major problem in defining technological change. There is also the provision that a significant number of employees will be affected. In a large concern there may be quite a number; in a small concern it will be as great in number in relation to the total working force. This in itself is an element of discrimination. It is just as important a matter for one employee who is displaced by technological change as it is for 100 workers who are being displaced. One of the interesting developments that may occur with technological change is whether or not the stability of the long-term collective agreement will be maintained because strikes are possible in mid-contract. There seems to be general agreement that the long-term contract has been beneficial to management, labour and the labour union. These matters will have to be resolved in the future.

Any discussion about the effect of this technological change clause and its actual working mechanism must, I believe, be considered in light of what the country will need in the way of new jobs. In the very interesting survey conducted by the Science Council of Canada, entitled "Technology in a Cold Climate," it appears that we in Canada have promoted and encouraged a large amount of skilled labour and highly trained people but we do not yet have the technological industries to employ them. Canada is faced with the urgent problem of creating a large number of new jobs in the 1970s. However, our industrial production has been disappointing. Canada's index of industrial production rose by 3.1 per cent in 1971, compared with 2.1 per cent in 1970. During the last decade, the sixties, the growth factor was 6.4 per cent. Therefore, the 3.1 per cent figure of last year is disappointing compared with the sixties. Manufacturing production increased, in

volume terms, by 2.3 per cent compared with a decline of about 1 per cent in 1970. There has been in recent years relatively slow growth in industrial production, even with the pick-up of industrial and manufacturing production in the 1970s.

In the April 14 edition of the *Globe and Mail* there is an article headed "Exports to U.S. offset reductions elsewhere". The article points out that the first three months of this year showed a substantial drop compared with Japan, the European Economic Community and Great Britain. Without the increase in exports to the United States our trade position would be in dire straits. What does this mean? Our increase in trade with the United States was composed largely of crude petroleum, natural gas and lumber—both renewable and non-renewable products. We have been questioning whether we should export these materials in large quantities.

This technological change provision will be very important for the balance of the seventies. Statistics indicate that the peak of entry into the labour force has passed. Last year the labour force growth rate was 3.1 per cent, and total population growth was roughly half that. As the projections of the Economic Council show, the role of the labour force will in fact be slowly diminishing in relation to the rate increase. However, it will still be among the fastest of any industrialized country.

The impact of technological change has a dual role. We as a nation desire technological change because, presumably, only in this way will we make any changes to increase our productivity, create new jobs and achieve a sustained standard of living for our citizens. However, as far as the individual worker is concerned, in many cases technological change will mean only disruption of his way of life and he will become understandably unhappy with his situation.

As far as the effect of technological change is concerned, and notwithstanding the clause in this bill, I think it will greatly depend on the situation at the moment. If there is not high unemployment, it is likely that technological change will be accepted with minor effect. Increased employment benefits, severance pay, and so on, should take some of the sting out of these changes, but if unemployment remains high technological change may well become a bone of contention.

The bill affects two important groups of federal employees about whom I am concerned both from the point of view of my constituency and western Canada in general. This bill affects railway and transportation workers employed in grain handling and grain elevators, industries under federal jurisdiction. There are many ways in which changes have affected employees and communities without, perhaps, falling directly into the area of technological change. Technological changes will make a vast difference to grain handling, railroading, the agricultural structure and, ultimately, social and rural life in western Canada.

For a long time there have been rumours and suggestions that wholesale changes in our grain handling system will be necessary. Although the grain transportation committee has made a report, the minister in charge of the wheat board has not yet seen fit to divulge its contents to the public. However, enough seems to be filtering out of the secrecy adopted by the government to indicate that the report will contain a somewhat centralized grain delivery system. This will mean the phasing out of many smaller elevator points throughout western Canada. Those employees under federal jurisdiction will be affected.

With the abandonment of the branch line protection by 1975, many railways in western Canada will be abandoned. Weeds will grow along the tracks. In my own area, the possible abandonment of a whole subdivision between Dauphin and Hudson Bay junction, via Swan River will cause significant changes in the whole agricultural economy. Many of the proposed changes do not seem to make sense. I urge the minister in charge of the Wheat Board to make public the report on grain handling as soon as possible so that we can begin discussion on the merits and demerits of the proposed changes. The technological changes that will be present in the rationalization of grain handling and its effects on railroading and the agricultural economy will be enormous. The value of grain production in western Canada has not changed in the past 20 years. This means that the increased costs of transportation will have to be met out of greatly reduced income. The provisions regarding technological change might well be too hasty or premature in the areas of grain handling and railroading.

• (2020)

If there is any doubt about the effects of technological change that will be forthcoming affecting transportation workers and, in particular, railway workers and other employees involved in grain handling, no clearer indication need be noted than that a senior official of the CNR in western Canada has said that the time will shortly come when present rates for the transportation of grain will not be sufficient to sustain the flow of locomotives and boxcars necessary to meet the needs of the grain industry. I think the request by the CPR that the federal government assist in the leasing of American diesels and boxcars to move grain to the east indicates the future trend. There will be a request for an increase in transportation charges with respect to grain. In other words, Mr. Speaker, we will see an attempt made to have the Crowsnest Pass freight rates set aside.

Coupled with so-called rationalization of the grain transportation industry there will be widespread technological changes which will affect the employment of many railroad workers and of elevator workers both at inland terminals and local elevator systems. How this bill will help with respect to technological changes remains to be seen.

The government seems to have made some reasonable changes compared with the provisions of the original bill. Obviously, it should be an advantage that during negotiation of a new contract an employer will be able to bargain with a union on the laying down of guidelines for technological change. This should go some way toward preventing strikes.

So far as the grain handlers are concerned, I point out that a situation exists in Vancouver where the handlers have been working without a contract since last November 30. Should a strike be called by their union, it could well be disastrous. This bill can have an important effect

on transportation and grain handling and in committee I will be interested to hear the views of expert witnesses on this aspect of the problem.

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I intend to concentrate my brief remarks on one aspect of this proposed legislation, that part of it which, as the case may be, has to do or has not to do with the fishermen of Canada and, more particularly, their status in regard to collective bargaining. This is a very important issue in the part of the country from which I come, as it is important in other parts of Canada.

My colleague, the hon. member for Comox-Alberni (Mr. Barnett), who is our spokesman on these matters has already voiced several of the opinions which I am about to put forward. I am sure that following his return to Ottawa this evening from the west coast, he will again be on his feet either in this chamber or in the committee proposing amendments to improve the legislation.

Last week I was glad to learn from the Minister of Labour (Mr. O'Connell) that he is quite willing and indeed would be happy if representatives of the British Columbia fishermen, through their organization the United Fishermen and Allied Workers Union of British Columbia, appeared before the committee which will be discussing this legislation in detail. I know, as the minister pointed out, that this is a matter strictly within the purview of the committee; it alone can decide what witnesses to call. But I think Canadian fishermen must be encouraged to know that the minister has no objection to their representations being placed forcefully before the committee. I believe it is important that this be done.

To put the matter briefly, Mr. Speaker, the fishermen in British Columbia contend that the legislation as drafted could deny collective bargaining rights to a majority of the fishermen of the country. Surely this should not be the case. The fishermen of Canada are working people; they should not be denied the rights of working people. As drafted, the bill proposes to include some fishermen within the definition of "employee" in the Canada Labour Code, but unless the present wording is amended it could exclude a great many fishermen, indeed the majority of British Columbia salmon fishermen who have been organized and have bargained collectively since 1893.

The exclusion of fishermen who are employed on their own small boats, fishing for large processing companies, contradicts in the first place the amendments to the Unemployment Insurance Act in 1956 which deemed all fishermen to be employees within the meaning of the act. In the second place, it contradicts the amendments to the Combines Investigation Act and section 411 of the Criminal Code which granted all fishermen in British Columbia equal exemption with all other workmen from the anti-combines provisions of the legislation. Thirdly, it contradicts the recommendations of the Woods task force which proposed that all fishermen who are economically dependent for the sale of their product on a very limited market be given collective bargaining rights.

The provinces of Nova Scotia and Newfoundland recently amended their legislation in order to provide collective bargaining rights for fishermen. Formerly their legislation excluded inshore fishermen who used their own small boats. The amended legislation included all fishermen. It is upsetting to find that the legislation which we are discussing tonight has been drafted in such a way that a great number of Canadian fishermen could be denied collective bargaining rights.

Judge Nathan Green, industrial inquiry commissioner, stated in 1970 that the co-adventurer principle is an "unrealistic, outmoded idea which has no relevance in this day and age to this type of operation." The artificial division of fishermen, by legislation, into employee fishermen and self-employed fishermen is unrealistic and outmoded. It deprives thousands of Canadians of basic rights already available to most citizens.

Again, we find indications that the government plans to remove the majority of commercial fishermen from enjoying the benefits of the Unemployment Insurance Act. The term "self-employed," if it were applied to all fishermen working on their own small boats could effectively be used to exclude a considerable number of fishermen in British Columbia from UIC protection. All fishermen in Canada were covered by the Unemployment Insurance Act. I am sure they wish to continue to be covered by it. The situation reminds me of an old slogan first used many years ago in a campaign in British Columbia to secure coverage for fishermen under the Workmen's Compensation Act of that province: "Fishermen are workmen in fact. Why not under the Unemployment Insurance Act?" One might add—"and the Canada Labour Code?"

From the point of view of fishermen, probably the most important change they would seek in this bill is one providing basic equality for all fishermen. They need a more adequate and all-inclusive clause defining fishermen as employees. I am not a member of the fisheries and forestry committee nor the labour, manpower and immigration committee, but I suggest a definition along the following lines:

• (2030)

A fisherman shall be deemed to be an employee under this act. Fisherman means a person engaged in commercial fishing in waters under the jurisdiction of the federal Department of Fisheries or on the high seas, accepting or receiving payment according to the volume and price of fish caught and delivered to an operator who purchases fish, regardless of whether such fisherman (a) owns and operates his own fishing vessel (provided he as master-owner of a fishing vessel does not employ or engage more than two additional fishermen who share in the proceeds of the fishing voyages); (b) shares in the operation of a fishing vessel owned by another person and receives in payment for his services a share or portion of the proceeds of the fishing voyages; (c) operates a fishing vessel owned by another person under a rental agreement or conditional sale agreement or any other form of oral or written agreement or (d) receives wages for all or part of his employment on a fishing vessel or in fitting out a fishing vessel on which he will be employed.

I think the intention should be to make sure that all fishermen engaged in commercial fishing on smaller boats are included whether or not they be owners of the small boats on which they are employed. At the same time, I would propose to exclude from the category of employee those vessel owners who employ more than two men on their vessels. That would really mean that the master-owner of a fishing vessel who employs three or

more crew members would not be classified as an employee.

Mr. Speaker, I urge the minister and the members of this House, particularly those who are or will be members of the committee to which this legislation will shortly proceed, to harken to the voice of the fishermen and make definite provision for their spokesmen to appear before the committee and explain the difficulties involved in this legislation which will handicap them in their earning capacity through collective bargaining. This will give the spokesmen an opportunity to present the type of amendments, changes or improvements which they seek in the legislation in order to protect themselves.

This is a matter of very grave concern to many thousands of workers on the seas and, incidentally, to their families. The Minister of Labour has so far indicated a fairness of mind and of procedure to a greater extent than some of his predecessors. I am told that the minister believes or has said that the position of the fishermen in this matter is basically unassailable. I, too, believe that it is unassailable and that my few remarks tonight should be taken as some indication of the view of the fishermen, particularly those of British Columbia and, I am sure, of other parts of the country. I conclude by saying that I am sure the committee to which this legislation will be sent will give full consideration to the protection of the workers in one of our basic industries.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, first I should like to say how gratified I think most members on this side of the House are that both the official opposition and the other opposition parties have expressed support for this measure. I think we have come to the realization in this country that the rate of change in society, the rate of change in industry makes mandatory the introduction of measures to assure that the price of technological change is not going to be borne by the working people with countless tragedies province by province.

We know that there has been substantial change in the nature of industrial development, especially in the last ten years, and that people who up to this time regarded themselves as beyond any possibility of unemployment are now being rendered unemployed, not because of some fault of their own or because they have been found to be inefficient but because new machines have been invented. The revolution of automation and cybernation is sweeping this country as it is many other countries. We are now told that a man will hold at least three different occupations during his working life.

Mr. Alexander: Under this government.

Mr. Perrault: My friend, when your government left office it had one of the most disastrous records of unemployment of any Canadian government, and when the official opposition lectures us on how to create full employment it is like an arsonist giving a fire prevention lecture.

Mr. Alexander: Carry on.

[Mr. Mather.]

Mr. Perrault: I simply want a reasoned approach here tonight and I welcome the support of the official opposition, but we do not want that kind of aside.

Mr. Alexander: Not if you are responsible.

Mr. Perrault: Technology is not only affecting the man who works at the lathe, in the shipyard or the auto assembly plant; it is affecting those in the executive suite. Some people in this country who are today criticizing this measure—and I do not think they fully understand Bill C-183—will perhaps find themselves in an economically insecure position in a few years. We are told by the Economic Council of Canada that at any given time 3.8 per cent of the work force will be seeking employment even during times of technical full employment. This is why since 1968 the government has introduced such a wide range of measures including those designed to provide temporary income support through the new unemployment insurance program, new working opportunities through the Department of Manpower and Immigration, and why this winter, for example, the special employment program will see almost $500 million invested by the government in providing jobs for 150,000 Canadians who would not otherwise have work.

The government is quite properly and deeply concerned with the whole matter of the technological revolution. The present law, which we are really seeking to change, has not been changed since 1948. The section dealing with technological change has been given a great amount of publicity, yet misunderstandings remain.

Mr. Alexander: Then why did you change it?

Mr. Perrault: In recent months I have met with groups in different parts of Canada. I have visited Halifax, Nova Scotia and I have spoken on Vancouver Island, and at points between. There are still some people who believe they are somehow going to be affected by this bill which proposes to provide a measure of protection for those affected adversely by technological change. A funeral director in Ontario contacted the department and said that he felt this proposed measure would cripple his intention to introduce technological change in his operation. But, of course, the profession of mortician is not within federal jurisdiction. This measure applies to industries within federal jurisdiction. There are people who say that may well be true, but when a law like this is brought in at the federal level some provincial government is going to pick it up and bring in a similar measure.

• (2040)

I submit this measure is a good one and we should get it into committee where we can make modifications. If it can be demonstrated that these modifications would improve the legislation, we should make them; and if the legislation is good, it should and will be imitated by the provinces. If it is a bad measure, if this is bad law, then of course it should not be emulated in other jurisdictions.

Surely we in this House day after day receive tragic letters from those who have been displaced in jobs as a result of automation or new technology. We hear of economic tragedies which occur in all provinces from British Columbia to Newfoundland. We have a responsibility, in

so far as it lies within our ability to act at the federal level to make sure that these tragedies do not take place.

We propose that the terms of this proposed law shall not apply to collective agreements which contain provisions designed to cushion the impact of change. Happily, progressive companies in this nation have entered into contracts which make provision, in some cases, for the impact of change. In my province, British Columbia—a highly unionized province—many leading companies have brought in the kind of provision in contract agreements that we seek to bring in under federal jurisdiction.

Of course, these clauses of the bill do not apply in cases where there are provisions in the collective agreement for the negotiation and settlement of problems arising from technological change and where notice in writing of the change was given during the open period of a contract. The technological change provisions would not apply to existing collective agreements, but only to those made after the bill comes into force. The pertinent sections have also been modified, so that when an employer gives notice of a change during the open period this notice will not be invalidated because he is unable to give precise information as to the likely effects of the future change.

Hopefully, when the bill is studied in committee we shall hear from various groups of this country. I assure the hon. member who spoke previously that representatives of the fishermen will be invited to come before the committee to submit their case. I have met with them, as has the hon. member. They have raised persuasive arguments in some areas. We should not enter the committee hearings with dogmatic views. We should enter the hearings with the absolute determination and concern that is necessary if the legislation is to meet the needs of the workers of this country.

Mr. Alexander: The hon. member should speak for himself.

Mr. Perrault: Some say they are disappointed with this proposed law because we are not to get tough, we are not to bring in compulsory settlement of labour disputes; we will not bring in labour courts. Mr. Speaker, arguments advocating that we do these things always interest me. It seems to me that there is some correlation between our having one of the highest standards of living in the world—

An hon. Member: Despite the government, and not because of it.

Mr. Perrault: —and one of the most productive work forces of the world, and our having lived under free, collective bargaining up to this time. Our present economic difficulties do not lessen my basic confidence in the free collective bargaining process. It is too simplistic to suggest that if we could just get tough with labour, or just get tough with management, we could remove all the inconvenience and hardship that is caused by certain lockouts and strikes. That sort of argument is one of deceptive simplicity because any government that accepted it would soon be resented both by labour and management. If any government bureaucracy were established to bring about compulsory settlements and to take punitive action against those who failed to obey, the government setting up such bureaucracy would soon meet the resentment of both labour and management.

Some people talk in terms of labour courts. Have they really studied that proposition? More work days are lost in Australia, where there are labour courts, than in Canada. For years we have heard about the mature relationship between labour and management in Sweden. I have been to Sweden, as have many in this House, and I think it is a most impressive country.

Some hon. Members: Hear, hear!

Mr. Perrault: What happened in Sweden last year? There was inflation of 10 per cent and a breakdown in the so-called mature relationship between labour and management. So far they have been able to negotiate and consult as to how large wage increases should be in Sweden, and they have arrived at a percentage applying to various industries. There appears to be no hard and fast method for conducting labour-management relations and no method whereby difficulties may be totally removed. During recent months, as some hon. members may know, there was a massive walkout of workers in Sweden and the Social Democrat government of that country had to order a return to work through compulsory, government edict. That Social Democrat government did not want to take that action. It had to do so because the situation was such that economic problems far more serious threatened to ensue.

I suggest that free collective bargaining is the best method of conducting labour-management relations in the North American context, Mr. Speaker. It might not be right for other countries. It certainly is right for this country. Since we have achieved so much through the free collective bargaining process down through the years, the government is determined to make the system work better. It is no accident that since the introduction of the industry specialist concept in Canada there has been a dramatic reduction in the number of work days lost through strikes and lockouts in this country. There were 132 man-days lost per 10,000 man-workdays in 1968. For last year the figure way eight days lost.

The whole key to Bill C-183 is this: it seeks to remove all those factors that apart from monetary factors lead to deterioration in labour-management relations. It seeks to remove the bricks of misunderstanding that arise during the life of an agreement—and during the open period labour and management can talk about monetary matters and economic issues. One of the basic causes of labour-management discontent in this country has surely been the festering sores which develop during the life of a contract. Some of this misunderstanding arises from fear of economic insecurity.

With new technology spreading throughout the world and affecting everybody's job, people are concerned. They want to know if they will hold their job next year. That is one of the misunderstandings we must remove if we can. That is why the technological change provision is included in the bill. That is also why, to the disappointment of some Canadians who really have not thought the matter out, the bill does not contain proposals for the arbitrary settlement of labour-management disputes.

There are certain situations in which the public interest is so clearly being affected adversely that governments must act directly. But, Mr. Speaker, these situations must be so extraordinary that we deal with them on an ad hoc basis with the method which appears to be most effective at the time. If through some extraordinary circumstance a government of Canada, be it this or any future government, should decide that the Parliament of Canada here assembled must vote on a certain matter affecting the public interest, that government should take its chances at the polls and let the people decide whether its action was truly in the public interest.

The bill before us, an act to amend the Canada Labour Code, is just one in a series of measures designed to help the Canadian worker. We have had the first major overhaul of the Unemployment Insurance Act since its inception 30 years ago. We have encountered some problems since the introduction of universality on January 1 but there has been a dramatic decline in the number of complaints received, and members of all parties who voted for this bill are finding their judgment confirmed that they voted well.

• (2050)

The Canada Labour (Standards) Code increased the minimum wage ot $1.75 and gave the governor in council power to enact further increases. It provided for maternity leave, strengthened provisions concerning equal pay for similar work, prohibited dismissal for reason of garnishment, provided for advance notice when employment is terminated and made provision for severance pay. These and other measures are complementary to the measure now before us. Each one is designed to remedy the irritations, the misunderstanding and the economic insecurity which had led to a deterioration of labour-management relations in some jurisdictions of this country.

The transitional benefit program protecting workers affected by the automotive pact has been extended to July 3, 1971, for application and to July 3, 1974, for benefits. We are extending the industry specialist concept in order to promote meaningful communication between employers and employees and to attach more importance to preventive mediation. This initiative has resulted in early settlements of disputes in such industries as railways, airlines, longshoring, and so on.

This is the pattern of government legislation, to make sure that in this highly competitive world not only will companies be encouraged to introduce useful technological change, so that Canada may compete successfully, but to ensure that there is a minimum of misunderstanding and disruption in labour-management relations. I hope this measure will be referred to the committee as quickly as possible. I have appreciated the opportunity to speak tonight. I know that members from all parts of the House will attend those committee meetings in a constructive spirit determined to improve, if possible the bill we have before us.

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, I rise to make some general comments about the bill before us. I wish to refer to a group of people in our society to whom little reference has been made during our discussion as to the effect of Bill C-183. The measure deals

mainly with two groups in our society, labour on the one hand and management on the other. Each of these groups is well organized.

The labour unions made their appearance many years ago and gained considerable power during the depression years. They continued to work for the benefit of wage-earners generally and it is undeniable that they have improved their lot over the years. In doing so, they have acted responsibly and by and large have won the respect of Canadians. Today the unions make up one of the most powerful forces in our economic society. Although, as I say, they have won the respect of the majority of the people because in the main their actions have been responsible and just, there are some today who feel that the unions have become too strong and that they are no longer acting responsibly. I suppose it depends which way you look at it, whether this criticism appears justified or not. The fear is expressed, too, that the voice of the small man is no longer being heard in the labour movement; that the small man is being increasingly dictated to by those at the top, often from beyond our borders. So much for one of the groups we are talking about in this debate.

Opposing the unions is, of course, management. Management varies from ownership or control of small businesses employing very few people to the corporate giants, the great companies which have grown to their present position through continued expansion or through amalgamation with other corporations. In any event, they now wield tremendous economic power. Not only can they expect this power as individual companies, but many of them are banded together to form what is known as the Canadian Manufacturers Association. So we find these two great groups confronting one another.

This seems to be an age of confrontation, an age of war. The ultimate weapon used in this confrontation, is, of course, the strike. Strikes sometimes lead to violence, something we deplore and which can certainly bring no benefit in the long run to anyone. In extreme instances the right of the mob takes over. It appears that today any person with a cause or a campaign believes he is entitled to use violence to achieve his ends. Someone said it is the divine right of the mob to use violence. Canadian society deplores this; it can only lead to destruction of property, and so on.

The Canada Labour (Standards) Code, built up through the work of successive parliaments, has served as a means of modifying the effect of clashes between two great forces in our society. It also seeks to devise ways and means to prevent labour disputes reaching the strike stage, much less the violent stage. The bill before us is a further landmark on the road to better labour relations. It is the outcome, as we know, of the Woods task force study and embodies many of the recommendations made by that task force. When we get to the committee stage, we on this side of the House will be suggesting further provisions which we believe should be included in the legislation. As the previous speaker said, there appears to be general agreement on all sides of the House that the major proposals contained in Bill C-183 are acceptable.

The thrust of my remarks this evening, however, is not directed to the two groups I have mentioned, groups which are sufficiently well organized to enable them to

look after themselves: I am more concerned with the silent majority—the silent, unorganized majority, as it might be called—within our country; the suffering public, if you like. These are the people who were inconvenienced by the strike of postal workers, a dispute which affected everyone in the land. These are the people who are caught up in the confrontation between government and public service employees in Toronto where garbage collectors have walked off the job. The citizens of Toronto are suffering the effects. At this moment a general strike is gripping the province of Quebec; it is causing untold hardship, much of which is felt by ordinary citizens who have no means of rectifying the situation.

I have called this third group an unorganized majority despite the fact that some people might argue that their interests are represented by the Canadian Association of Consumers. Nevertheless, it appears to me that the consumers association is a somewhat loose and voluntary organization which does not pack sufficient punch to be of real effect when situations of the magnitude I have been describing take place.

It is estimated that the labour force in this country numbers about 8,500,000, of whom only one-third are organized. The total population of the country numbers roughly 21 million. So hon. members will understand what I mean when I say that the vast majority of Canadians are obliged to sit on the sidelines as silent spectators to watch the giants grapple in the ring of labour conflict. And they are the people who are hurt.

Where does responsibility lie to protect the people in general from the damage being done to them? Surely the two antagonists have some responsibility—management and labour both. They must act responsibly and see the consequences of the demands that they make one upon the other. Just as surely, government has a serious responsibility to protect the people whom we in this House of Commons as members of parliament represent. It is our responsibility to speak up and to take the steps that will prevent the silent majority from being hurt in the way they often are. I think we agree that Bill C-183 is an attempt to do this.

• (2100)

There are some suggestions I should like to make to the minister which can be explored in committee during examination of this bill and which will help to mitigate the suffering about which I have been speaking. I suggest that when we come to discuss division II and section 111 which make provision for the new Canada Labour Relations Board the government will be appointing, perhaps an amendment should be moved to provide that one or maybe two representatives on that board be from consumer groups in this country. They should be persons not involved in labour or management organizations on either side but, preferably, persons who have to live on fixed incomes or on a pension. I seriously suggest to the minister that some thought be given to letting these people have a voice on the board so they can bring some sense of perspective to demands being made during negotiations.

How do we avoid labour chaos? The *Financial Post* has some suggestions on how to avoid labour chaos, and I should like to take an opportunity of putting them on record. The *Financial Post* for April 1 had this to say:

> This week's general strike by nearly all public servants in Quebec once again underlines the urgency of new moves to stabilize labour relations in the public sector. It should be obvious by now that bargaining in the public service has been working badly and is deteriorating. Federal civil servants each time they are asked, vote in growing numbers to use bargaining machinery that includes the strike rather than alternative machinery that ends in arbitration. What's to be done? Some realistic ideas have been put forward in Quebec by the Conseil du Patronat, a broadly representative employer federation. The conseil would have essential services defined clearly in law and it would have stiff penalties for those who violate this law.

This is always a stumbling block, I submit, Mr. Speaker. What is an essential service? No person in this country can agree on that, so the suggestion here is that it be clearly defined in law, with stiff penalties for those who violate this law. The article continues:

> It would also insist that no strike in the public service take place until the union and the employer have agreed how essential services will be provided. If they cannot agree, some public agency should decide for them.

Perhaps that is something the committee can work out in its study of this bill. Speaking to the Rotary Club in the town of Simcoe not too long ago, a labour relations expert from Hamilton made some suggestions which might be helpful to the committee in regard to trying to reach a peaceful settlement of this thorny problem. Among other things he said this:

> The public must be shown that they will benefit from an industrial climate that is not impeded by long, costly and unjustifiable strikes.
>
> He expressed opposition to compulsory arbitration, which he said has eroded the decision-making process and led to buck-passing, especially in police, fire and hospital employee disputes.
>
> Instead, he advocated legislation giving government industrial relations agencies the power to take steps to avert strikes and to act quickly in advance of crises.
>
> He proposed the new laws should provide for ministerial or legislative intervention, and open the way to a variety of procedures. A fact-finding board appointed by the Minister of Labour would be useful in effecting settlements.

Some of these suggestions are now new, but I think we should take another look at them. What I have been saying is that a great portion of our population gets hurt without having any way to defend itself. Some people have referred to it as a ploy, a jockeying for position and power between labour and management verging on what might be termed brinkmanship. I should like to put on the record a quotation from the *Gazette* for April 12. The writer of this editorial pretty well sums up what I have been trying to say, in these terms:

> A strike is similar in some respects to war. It may be just, although a just strike is as hard to define as a just war. It is a question of causes, objectives and alternatives.
>
> In no case does a strike settle the question as to who was right and who was wrong, however these terms may be understood. Reasonable arguments do not decide the issue. In a strike, as in war, superior force and staying power win out.

In other words, it is the little man who suffers. This quotation points out rather dramatically, I think, the crisis in labour-management relations. I hope that when the bill gets to committee in the very near future those who are charged with responsibility for studying it at length, with listening to the evidence that will be presented by various

groups in society, will pay heed to what is said. Members of parliament, as representatives of the overwhelming number of innocent people in this land, have a very heavy responsibility in this regard. The bill must be discussed and studied logically. Political expediency should be put into the background. The government side of the House should be ready to listen to reasonable proposals which we of the opposition are ready to present and which we feel are just and fair. Members of parliament must see to it that the majority of the Canadian people are protected from the unfair and unjust effects of prolonged strikes.

Mr. Steven Otto (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I have no particular objection to this bill. It is a nice little bill. I am not going to put too much blame on the minister at the present time, since he took over the bill from his predecessor, but I am wondering whether the government and the bureaucracy which had a great deal to do with the bill are really looking at the facts of today's situation.

Reading the preamble to the bill, it speaks of "promoting the common well-being through the encouragement of free collective bargaining," "labour-management relations," "support to labour and management in their cooperative efforts to develop good relations and constructive collective bargaining," and so on. A short while ago I heard the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) speak of this concept of labour-management dispute, and hon. gentlemen opposite in their speeches continue to say what a nice little bill this is and similarly talk about labour-management dispute. If hon. gentlemen were talking about the circumstances that existed 30 or 40 years ago, then I would agree. However, I would suggest that there is no such thing today as labour-management dispute; there is only labour-consumer dispute or, indeed, labour versus labour in another field.

• (2110)

When was the last time an hon. member here obtained evidence of an entrepreneur taking a profit cut because of a strike? An entrepreneur may be in difficulties after a short time, depending upon his contracts, but in the past 15 years or more any increase in wages has been passed on to the consumer. We are talking about the preamble to this bill and the bill itself as though we were dealing with a set of circumstances surrounding a strike by organized labour when it originated 100 years ago, when money was locked into a certain community or nation. Money is not locked in today; it is a fluid thing.

If, indeed, there were such a thing as a labour-management dispute, and if there were some method by which management could be forced into absorbing a demand for an increase in wages, a great deal of investment money would have remained in the United States. Why do you think almost 38 per cent of the European economic market is owned by U.S. interests? That was the place they could get more productivity with cheaper labour. They could get this in Japan, and they put money in Japan. Consequently, for the last number of years there has been no such thing as a labour-management dispute. These disputes have been strictly labour attempting to obtain an advantage for itself at the expense of the consumer and that is the fact.

[Mr. Knowles (Norfolk-Haldimand).]

Let us consider the question of strikes which is referred to throughout the bill and its preamble. I have no particular objection to the section about technology, because industry will absorb that and has nothing to fear from it. It does not matter how great a problem labour becomes, prices will be increased. Since every segment of industry is organized today, you cannot control this and you cannot say one entrepreneur will be able to do better than another because they are all in the same boat and are faced with the same unions and organizations.

What happens today is that a strike, the principle of which was developed long ago, is of no benefit to the labourer, the union man or the nation. Obviously, a strike is of no benefit to the country. The parliamentary secretary said there was always a .8 per cent loss; in other words, eight days lost per 1,000 days of labour-management dispute. I venture to suggest that those figures are based only on direct strikes. I attempted to find out about the other reactions in respect of people who could not work because of a strike in a certain industry but there was no record of it.

I inquired about the results on productivity per month before and a month after a strike, but found there are no figures. I know from personal knowledge and from what friends have told me that before a strike is entered into when there is no contract, production keeps dropping until about a week before the strike. A firm is lucky to have 10 per cent production at such a time. After a strike is settled no one is really happy. Certainly labour is not happy. Therefore, there is a gradual increase in productivity. It starts very slowly and takes at least a month before reaching maximum productivity. Therefore, everyone loses in the process.

I suggest to the parliamentary secretary that in reality what happens throughout the nation as a result of a work stoppage is a reduction in productivity which in turn causes an increase in the price of goods. Perhaps the price increase does not occur for four, six or ten months, but it certainly does eventually.

I think it is wrong to suggest that we still have labour-management disputes. These disputes are really between labour segments in different capacities. This is what is disenchanting to our nation today. This is why we have a demand from various centres for wage and price controls.

The hon. gentleman opposite who just concluded his speech spoke about compulsory arbitration. I put it to him that compulsory arbitration will not work, because even when you get the people back to work there is no way you can guarantee productivity. The people can be back at work, drawing wages, while at the same time productivity can be dropping. These people can work to rule, as experience has shown, and productivity is not immediately recovered. It is inconceivable that everyone will be happy with any sort of compulsory arbitration. There will always be those who are dissatisfied. The same thing applies to wage and price controls. I discount these two methods as feasible alternatives to what we now have.

Just for a moment I should like to review what I meant when I said a strike today has really no effect on industry.

A strike is a bad thing for the nation and it is bad for unions and organized labour. Let us consider what happens when there is a strike or a work stoppage. As I indicated to a union meeting I addressed five or six years ago, during the term of that particular strike the employees would lose in the neighbourhood of $1,180 in wages. That was based on a pretty good guess of the length of the strike. I also anticipated the settlement, and I was very close. The strike lasted 42 days. The employees received the increase they wanted, but they had to dig into their savings to make up for the loss of $1,180. It took them 2½ years with the new increase to make up that loss. This sort of thing has occurred over and over again. Labour does not profit from a strike. Indeed, this is what George Meany was talking about. I recall that the leader of the NDP (Mr. Lewis) said exactly the same thing in Montreal two years ago. A work stoppage does not benefit labour at all; it penalizes labour.

This bill should be attempting to solve the problems of today. It should be an adventurous bill facing the realities of strikes and containing methods of putting an end to work stoppage as a means of settling disputes. It is work stoppage that really causes harm. I think one might suggest that work stoppage is the cause of the inflationary spiral we are suffering. If an industry does not produce, it must lose, because it has to pay wages. One of the things this government must face immediately is how we can adopt alternatives to methods we now have to prevent work stoppages.

I disagree with those who suggest that unions have no place in our society. The requirements of the past have not changed; the only purpose of a company is to make money at any price. Having been involved in business, I am the first to admit that business today does not display any sort of social conscience. Perhaps this is because of the general structure of business with its one purpose, that of making money. If it were possible for an enterprise to do so it would operate as a labour baron of 50 years ago, so the unions do have their place.

I should like to see this bill containing provisions requiring every industry to be organized. It is not fair that 60 per cent of the work force should not be organized while 35 per cent or 37 per cent is organized. If we accept the idea that there is nothing wrong with organization—and I accept it—we should all be organized.

• (2120)

The problem we face is the work stoppage. I believe we are mature enough to realize that in business when there is a strike there is a carrying on of expenditures, and so on, and the company does not make much money. Suppose we had a situation where there was no contract or where a contract had come to an end, and in lieu of management and labour taking practical positions and trying to outdo each other the company continued in operation, the employees continued to work and the profits made during the period until there was a new contract went to the government as 100 per cent taxes. The industry could not complain, because it would be better off than if it were on strike. On the other hand, how long would the shareholders support a corporation which declared no profit, because a strike might continue for a long period?

If production continues, the working man is better off because he does not have to dip into his savings, and the government and the nation are better off because there will not be any loss in the gross national product. Business will be better off in reality because at least there will be greater incentive to negotiate a contract. How long can it retain the shareholders' confidence if it does not declare a profit?

Then there is the question of whether or not union dues would be paid to the government. I am not suggesting this is the only way to handle the situation, but the prevailing thought in this government's mind should be how to solve these problems without work stoppages. Every unionized man has the same problem. He has perhaps gone through a strike five or six times and realizes he is no better off today than he was ten years ago. Most people in this country feel there is something wrong with labour-management disputes since they receive no benefit and industry receives no benefit. On the other hand, we lose productivity and ground to other nations which have solved or partially solved this problem.

So I see no great difficulty in accepting the technological change section of this bill. I think industry will absorb it and I do not believe there will be the rash of strikes which has been suggested. If the government is at all aware of this problem, it should know there is something wrong with its whole technology in respect of settling disputes. I suggest this bill should have been as dramatic as the criminal reform legislation in which the government took a position that was audacious and realistic. At that time we had the nerve and guts to put in the Criminal Code amendments which meant something and which the people wanted.

I think the same urgency prevails within the structure of our labour-management or labour-consumer difficulties. The government must face the issue and make up its mind whether it intends to introduce price and wage controls which will not work, introduce arbitrary or compulsory arbitration which is doubtful, or bring in other provisions by which all of us in Canada will be better off and through which we will not have to suffer work stoppages time after time, an old weapon which has become useless. I think this is the issue which should be covered in the bill. I cannot see anything here to indicate that the government has faced the problem which should not be allowed to continue if anyone is to benefit.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, by and large the bill before us deals with people working under federal jurisdiction for whom the basic right of collective bargaining is generally accepted. The bill has certain proposals which the proposer of the bill and indeed many commentators have agreed go some distance toward improving that basic right.

My main purpose in rising to speak is to deal with one group of workers in this country for whom the basic right of collective bargaining has not yet been established and satisfied. I refer to the commercial fishermen. I believe there has been previous discussion of this subject during the debate, but I should like to add a few thoughts. It seems to me that when one considers the situation of the commercial fishermen and working people in this country, one really must go back to something more basic than

the existing labour act or the labour code. One must in the federal field think, among other things, of the Combines Investigation Act. Members who are familiar with that legislation will recall it has in it a section which provides that nothing in the act shall be so construed as to deny workmen and employees the right of free association for the purpose of collective bargaining.

In my view that is the Canadian embodiment in statute of something for which workers fought and for which some workers died over the years in the United Kingdom and elsewhere, namely, basic recognition of the fact that when workers get together for purposes of collectively dealing with their basic rights of working, the kind of conditions and remuneration they should receive as a result of their labours, it shall not be construed to be a conspiracy, seditious or otherwise. This principle really has not yet been given statutory recognition in Canada in respect of the commercial fishermen who harvest the resources of our seas, lakes and rivers.

This, I believe, is a basic fact in respect of the situation in Canada which should be stated in connection with the approach we are taking to this bill. It is true there is some reference in the bill to fishermen. I believe I am right in saying this is the first time there has been such reference in federal labour legislation to fishermen per se. Fishermen, in the sense that we ordinarily know them, people who go out and work their own boats and gear to fish, or at least a segment of them are referred to under the definition section of the bill as "dependent contractors". The bill states that a fisherman who is not employed by an employer but who is a party to a contract, oral or in writing, is a dependent contractor if he is engaged in a joint venture with other like persons. The bill does not include a fisherman who goes out as a single person with his own individual tools of work, in his own small vessel and engages in a fishery.

• (2130)

Under the definition of employee, the bill says that a dependent contractor for the purposes of this act is an employee and, therefore, is entitled to the collective bargaining rights that other employees have under the proposed legislation. I suppose one could say, so far so good. But the fact remains that the bill as drafted excludes large segments of people who are really engaged in identical work under identical kinds of contracts, at least in principle, oral or written, who happen to be conducting a solo operation. If the legislation stays in this fashion, I suggest we are simply going to compound an already confused situation.

I would like to draw to the attention of hon. members a definition of "fisherman" for collective bargaining that was proposed in a bill introduced in one of the legislative assemblies of Canada. It was introduced into the House of Assembly of the province of Newfoundland. This matter may already have been referred to by other members. In the definition section of that bill it says that "fisherman" means a self-employed commercial person. It is very simple and straightforward. It goes on to provide:

—(including a sharesman or person agreeing to accept in payment for his services a share or portion of the proceeds or profits of a fishing venture, with or without other remuneration) engaged in fishing for gain, other than for sport—

I quote this legislation to show that there is a very significant contrast between the definition in the bill before us, and in my view a very important question of principle is involved. The bill which was introduced into the House of Assembly of the province of Newfoundland begins as follows:

"Fisherman" means a self-employed commercial fisherman . . . not falling within the definition of employee in the Labour Relations Act—

It specifically makes clear that it also includes a sharesman who is engaged with one or more other persons on a boat. It seems that the deficiency in the definition in the bill placed before us by the Minister of Labour (Mr. O'Connell) becomes very apparent when one contrasts the definition section in the legislation of Newfoundland with the proposed clause in Bill C-183. This includes only those who are together in a venture; presumably—I interpret this from my reading of it—two or more persons. I think the ridiculousness of that situation is apparent at once to anyone who has any familiarity with the practices followed in the fishing industry. In some cases there is one person on a boat, in some cases two and in some cases five or six. In other types of operation there may be eight or ten people on a boat, all engaged in essentially the same operation of catching fish and disposing of them.

The question has often been raised whether such people can properly be considered to be employees in any sense of the word. I am sure the Minister of Labour and the former minister of labour, now the Minister of Manpower and Immigration (Mr. Mackasey), who I note is in the House this evening, are aware that there are some organizations in this country which are still arguing that point, stating directly their opposition to the acceptance of the idea.

I understand that a brief was submitted to the former minister of labour by the Fisheries Council of Canada. At least the copy sent to me so suggests. It states quite clearly that in their view they made a mistake when they did not go to court over the issue of fishermen being considered employees for purposes of the Unemployment Insurance Act. We had quite a long debate, at the time, on the question of including fishermen in the act. This was finally included in a government proposal and became operative. That, of course, was the subject matter of another debate not very long ago when we were revising the Unemployment Insurance Act. The suggestion in the brief of the fisheries council that even if a fisherman is an employee, he is not an employee within federal jurisdiction, is another argument. I think that illustrates the complications of the situation in which we are involved.

Hon. members may recall that this matter came up not long ago in relation to certain developments in the province of Nova Scotia. The suggestion was made that if a ruling were to be arrived at as to which jurisdiction fishermen came under, the minister of labour of the federal government and of the province should declare in advance that they would be prepared to introduce the kind of legislation which would ensure proper collective bargaining rights for fishermen. Without attempting to go into all the learned argumentation in that particular case, I think it is sufficient to point out that there appears to be a growing body of evidence that many learned judges in

this land believe the concept of fishermen as co-adventurers is outmoded and out of date in this day and age.

• (2140)

Sometimes we are inclined to think that those who sit in high places on the judicial benches of this land are up in the clouds. But from time to time it is most refreshing to see, from the kind of recommendations and suggestions that come from the bench, that some of the judges in the high courts are very much aware of the realities of the developments taking place within our country. One of the realities of the situation in Canada today is that for all practical purposes a commercial fisherman is within the grasp of a large corporation just as much as is a logger, a worker in an automobile plant or a worker in any one of a dozen other industrial activities that one could mention.

It is a fact that in the province of British Columbia the market available to an individual commercial fisherman by and large is in the hands of two large corporations, commonly referred to as the Big Two. To the best of my knowledge one is the wholly-owned subsidiary of an American concern and the other is part of the Weston empire. It may be surprising to some hon. members to learn that the name Weston, usually associated with biscuits, plays a major role in the financial holdings controlling the buying and processing of fish on both the Pacific and the Atlantic coast.

I suggest that since this bill does take a timid step in recognizing the facts of the situation, that fishermen for practical purposes are employees, the minister should go the whole way before the bill proceeds further. I do not know how optimistic one can be about that, but I do know that according to a press release issued by the president of the United Fishermen and Allied Workers Union in British Columbia on February 25, 1972, it was stated that the Minister of Labour said he believed the union had presented an unassailable case for extending proposed legislative amendments so as to provide bargaining rights for all commercial fishermen. The emphasis there must be on the words "for all commercial fishermen." I hope that before we conclude this stage of the debate the minister will be inclined to make that statement official if indeed he did give that impression, which apparently he did, to the president of that fishermen's union.

However, if the bill passes second reading and is considered by the committee, I am sure the minister must realize that this whole question will be the subject of considerable discussion and debate. Certainly some members of this House are quite determined that that kind of clarification should be made so that all commercial fishermen will be equal in status.

Mr. Speaker, this whole question has been left up in the air so long that I am a bit like the fisherman who when there is a little nibble says, "Let us make it a good, big catch while we are at it." I remember when the whole question of collective bargaining for fish prices in British Columbia was put in jeopardy under the Combines Investigation Act. As I recall it, that was in 1956 or 1957. As the minister well knows, an amendment was made which was passed for one year specifically exempting this process only on the British Columbia coast and not on the Atlantic coast. It was just for the British Columbia fishermen. That happened to be the place where collective bargaining was well established, with a tradition going back for many years.

That particular amendment, which I regard as an extension of the basic provision that is in the Combines Investigation Act, namely, that nothing in that act shall be so construed as to prevent workmen or employees from getting together to bargain in respect of wages and working conditions, covered a small segment of the fishermen of Canada. When I say "small," I do not want to indicate that it was not a very important segment. The decision was made to meet a problem which was faced by a good proportion of the fishermen of British Columbia. But under that umbrella it did not take in fishermen anywhere else in Canada, whether on the Atlantic coast or inland. That particular act was repassed year after year for quite a time, until finally it got into our statute books in its present form and it will remain in effect until it is repealed or a group of ten members introduces a resolution calling for its withdrawal.

This brings me back to the matter of the Newfoundland legislation. I cannot say that I am fully informed on it, but as I understand it the Newfoundland legislation has been passed but not proclaimed. It is suggested that because the limitations of the existing federal exempting sections of the Criminal Code and the Combines Investigation Act apply only to the British Columbia situation, this complication under the Combines Investigation Act potentially still exists for all the fishermen of Atlantic Canada.

I must say, Mr. Speaker, that the suggestion made by a judge in Nova Scotia to my mind really means that the logical thing to do to avoid this mix-up is for this parliament to pass legislation including all of them; and if some of the other provinces take similar steps then hopefully by some rational approach, either by a reference to the Supreme Court or otherwise, the situation can be clarified as to where exactly the constitutional jurisdiction lies.

• (2150)

As far as I am concerned there is no excuse for our sitting back. By and large, it has been a fact of life in Canada—it is certainly true in the province of British Columbia—that the only governmental body that shows active concern for the commercial fishermen is the federal government. A joint commission was set up in British Columbia in 1964 to study price and wage disputes in the fishing industry of that province. A report was made, but nothing has happened as a result of it. I cite that as an example of the fact that if this parliament waits for appropriate action by the provincial government, the position of the fishermen will remain for a long time in its present unhappy state of uncertainty in some parts of the country. They have already endured this unhappy situation for too long; in fact, I have been amazed at their patience.

If it were not for the fact that in some situations the fishermen are being treated as employees, even though under the legislation ordinarily applicable they are not, they might be satisfied to deal, in terms of bargaining collectively, under the umbrella and safeguard of the Combines Act if it were generally applicable. The fact remains, Mr. Speaker, and I am sure the Minister of

Labour is aware of this, that there has been a long series of court actions in British Columbia, where the nub of the matter is that the fishermen involved have been assessed substantial damages for certain action taken by them in connection with disputes, on the ground that they did not abide by the labour act of that province. In other words, they did not have the right, because they were not a trade union in this situation, to picket. This question has gone all the way to the court of appeal. The voluminous document in my hand is a copy of the argument in that case. This may not be the end of it because in due course it may find its way to the Supreme Court of Canada.

I would suggest, Mr. Speaker, that this case makes a strong argument, if we are to have any rationale in the fishing industry and if there is any hope of arriving at a situation where we will not have the unhappy events that surrounded this case which led to court action, for this federal legislation to provide the foundation for collective bargaining rights for all the fishermen of Canada. If it should be challenged in the courts and if the arguments advanced by some parties are correct in the view of the Supreme Court, at least the fishermen will know where they have to go. If they cannot come to this parliament for collective bargaining legislation, they will know it is a matter they will have to deal with through their provincial legislatures. It may well be that a determination will be arrived at which will make it clear that there must be legislation in both the federal and provincial fields in order to protect all commercial fishermen under the umbrella of ordinary labour law.

I would suggest to the minister that no useful purpose will be served by keeping the bill as it is, making workers of some fishermen and something else of others. At least the federal legislation should be clearcut and precise. From my reading of it, I would suggest that the kind of definition section which is in the Newfoundland bill would cover the question as far as making clear that all commercial fishermen are to be deemed to be employees when they are in the kind of relationship that commercial fishermen are in with respect to the buyers of their products.

Before I sit down, Mr. Speaker, I should like to say that I realize the legislation before us generally represents the work of many people over a period of time. I welcome some of the steps forward that are contained in it and I know some of my colleagues have discussed them in more detail. I should like to say, however, that I am glad we have this opportunity of a full-dress consideration of changes in the Canada Labour Code. It is certainly a much more useful contribution, to put it mildly, than the burden of amendments to labour legislation that we had a few years ago which, in the view of some of us, emasculated the Canada Labour Relations Board. To the extent there has been that kind of change, I should like to offer a word of praise.

Mr. Knowles (Winnipeg North Centre): May I call it ten o'clock Mr. Speaker?

[Mr. Barnett.]

PROCEEDINGS ON ADJOURNMENT MOTION

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

PUBLIC SERVICE—SETTLEMENT OF CONTRACTS ON REGIONAL BASIS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, on March 24 I had an opportunity to put a question to the President of the Treasury Board (Mr. Drury) about settlement of contracts on a regional basis. I recognize that I am not the first member of parliament to raise this issue; it is one that has been accelerating since 1967 when the government led by Right Hon. Lester Pearson established a formula for negotiating settlements of contracts on a regional basis. I think that probably Parliament suffers from all the regionalism that it can stand.

• (2200)

I have tried, in my time here, to eschew adopting a regional stance on every issue. However, this is an issue that affects particularly public servants in the Atlantic provinces and it is my duty to remind the House again of the unfairness of the government's stance in this regard. The hon. member for Fraser Valley West (Mr. Rose), at page 1037 of *Hansard* raised the issue and questioned the anomaly of the settlement of contracts on a regional basis on the one hand and the Department of Regional Economic Expansion's trying to do its best to equalize conditions of pay, opportunity and so on, across the country on the other hand.

I felt that the parliamentary secretary on that occasion left a good many things unsaid in his answer. He seemed to relate regional pay with the mobility of the public servant involved. I suggest that that surely cannot be the only criterion for regional pay scales. For example, I cannot for a moment imagine the Minister of Justice (Mr. Lang) accepting the principle that judges of the supreme or district courts of, say, Prince Edward Island, New Brunswick or Nova Scotia should receive less pay than those of Ontario. Those learned gentlemen are by no means mobile; they cannot be expected to move from one part of Canada to another.

One finds the problem of regionalism and lower pay scales prevalent in the nursing profession. I am speaking of women who are in the public service, who are serving at Department of Veterans Affairs hospitals across the country and who are receiving different pay for doing exactly the same work. Mr. Speaker, I put it to you, this is manifestly unfair of the government. This practice has been creeping into wage settlements, if I can put it that way, and I think it is time to warn the government that those who represent areas that will be affected particularly by the unevenness of wage settlements will be pressing the government to reverse a policy that can only work hardship on public servants.

I think the government is obligated to set the highest possible standard as an employer, and it fails in its obligation if in the bargaining process it uses the fact that, unhappily, incomes in one part of our country are substantially below the national average. I suggest, with great

respect, that it is time the government took another look at this policy. It is not in the national interest to proceed further with settling contracts on a regional basis.

Mr. Gaston Clermont (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the Treasury Board's position with respect to regional rates of pay is certainly not an attempt to institutionalize a dilemma of regional disadvantages and disparities. As indicated by the President of the Treasury Board (Mr. Drury) when the hon. member first raised this question, the regional pay rate system is in fact "an attempt to bring about, in an orderly way, a greater measure of unity".

As employer, the government is committed to paying rates which are equitable and competitive with rates being paid outside the public service for similar occupations. Where the outside pay data for occupational groups indicate significant variations from the Canadian average and where the area of recruitment and the mobility of employees within the public service is limited, the government as employer considers it appropriate to pay regional and not national rates of pay. Paying national rates of pay in such circumstances would serve only to overpay employees in some regions and to underpay employees in other regions in relation to the rates of pay prevailing in those regions. Neither situation, from the employer's point of view, is desirable or viable. In order to avoid this situation, regional rates are considered more appropriate.

The hon. member expressed the belief that the regional pay system is an attempt to institutionalize regional disparities. As the hon. member is aware, the basic objective of the Department of Regional Economic Expansion is precisely to facilitate the access of people to productive employment opportunities. If the effect of regional economic growth is to raise rates of compensation in areas of low pay by comparison with other parts of this country, the government as employer will ensure that its rates reflect those changes, subject of course to collective bargaining provisions in the public service.

POLLUTION—GREAT LAKES—UNITED STATES VETO OF SEWAGE DISPOSAL PROJECTS—EFFECT ON JOINT PROGRAM

Mr. Randolph Harding (Kootenay West): Mr. Speaker, on March 17, I asked the Minister of the Environment (Mr. Davis) the following question:

In view of recent reports that the proposed $138 million anti-pollution program for an accelerated clean-up of the Great Lakes has been vetoed by the Nixon administration, I wish to ask the minister what effect this decision will have on the joint Canada-United States program to deal with this problem.

I followed with a supplementary question in which I asked the minister whether the veto by the Nixon administration meant that the target date of 1975 for meeting certain standards would need to be revised. In his reply the minister said he felt Canada and the United States would agree in principle on a clean-up program and that he hoped the date of 1975 need not be revised.

Since I asked that question, the Great Lakes water quality agreement has been signed. I attended the signing ceremony on April 15, 1972, and I must admit, frankly, I feel it is a step forward. I am certain it will be welcomed by most individuals in this House and by interested organizations across the country. I must point out, however, that the terms of previous treaties have not been observed by either country. In particular, I would draw attention to the Boundary Waters Treaty Act which was signed in 1910 by the United States and, at that time, by Great Britain. This treaty prohibited the pollution of the Great Lakes by any means or in any manner. It seems to me it would be much better had the two parties who signed the agreement last Saturday undertaken to carry out the terms of the original treaty, because I believe that treaty to be far more inclusive than the agreement which was signed on Saturday.

Conclusion of the agreement on Saturday does not ensure that adequate standards of water quality will either be made or set. In fact, there is every indication that inadequate standards are already being considered. The governor of one of the states bordering the Great Lakes stated yesterday that the standards being considered with respect to phosphates, fluorides, mercury, etc., would not ensure the success of the clean-up operation required. I agree. There is every indication that a very wide difference of opinion exists between Canada and the United States as to the standards required if an appropriate clean-up job is to be carried out. A good example of this difference is clearly outlined in the approach taken by our two countries to the problem of phosphates. We have sharply curtailed the amount of phosphates allowed in detergents used in Canada. On the other hand, the United States has not done so.

• (2210)

A very interesting article appeared in the Vancouver *Sun* for April 15 in connection with a statement made by representative Henry S. Reuss of the United States. The article reads as follows:

Henry S. Reuss said today that the U.S.—Canada Great Lakes anti-pollution pact was a victory for the phosphate deterent industry and a potential disaster for Lake Erie—

Canada was put in the position today of signing the agreement, which lacks a ban on heavy phosphate detergents, "or having no agreement at all".

Reuss said a joint U.S.-Canadian study released in February showed that if phosphates continue to be dumped into Lake Erie for the next few years there is the "frightening possibility" of the "irreversible destruction of the lake".

My point is that this agreement talks of a 50 per cent reduction in phosphates, and I say that is not enough. Last August the federal government and the government of the province of Ontario signed an agreement to spend $250 million, I believe it was, on construction of sewage disposal plants. One pollutant they were aiming at was phosphates. We have already on our statute books legislation providing for a sharp curtailment of phosphates used in detergents. Yet we are faced with the possibility of a job being done on one side without a full or proper job being done on the other.

I should also like to point out that this agreement is not a firm commitment or a treaty but merely an executive agreement set out in very broad terms. It does not tie the United States down to any timetable, or Canada either. It is merely an agreement between the two countries which acknowledges that a very undesirable condition exists in

the Great Lakes as far as pollution is concerned and that the two countries will do something about it.

I mentioned earlier that I was a little disturbed at the lack of action on the part of the United States over the past three years in regard to cleaning up this great body of water. Only two months ago the Nixon administration vetoed a $138 million program which was to have been the initial start of this clean-up project. It seems to me that we in Canada must push very strongly and do everything we possibly can to persuade our counterparts across the line to get on with the job. I am convinced that high international standards must be set and that these must be policed and enforced by the International Joint Commission if we are to get the job done. This is what I urge upon the minister.

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): I should like to amplify the response given on March 17 by the Minister of the Environment (Mr. Davis) to a question by the hon. member for Kootenay West (Mr. Harding). The inquiry concerned reports that a decision has been taken within the United States administration not to proceed with a group of particular projects for water quality in the Great Lakes basin costing in total $138 million, the largest item reported as being for studies on programs to overcome pollution from storm sewer overflows.

Naturally, we always like to see additional financial and other resources for sound projects to correct sources of pollution on the United States side of the Great Lakes, particularly where such pollution might have a transboundary effect on Canadian waters. We have made inquiries in Washington about this particular group of projects. We have been assured that the decision taken by the administration in regard to these projects will not have any significant effect on the broader programs to abate and control pollution in the Great Lakes which are incorporated in the agreement signed by the Prime Minister (Mr. Trudeau) and President Nixon on Saturday last, April 15.

In this context I should like to draw the attention of the House to current estimates of the cost of programs to abate municipal pollution on the United States side of the Great Lakes as announced by the responsible agencies of the United States administration. The United States environmental protection agency has recently estimated that to construct the needed improvements to these municipal plants on the United States side will cost about $2 billion in total, over 3½ years. Under agreements for sharing these costs proposed by the United States administration, about one half of this total would be provided in the form of federal grants with the remainder financed by state and local sources.

The flow of United States federal funds to construct municipal sewage treatment plants has recently increased significantly. According to reports issued by the environmental protection agency in Washington, federal United States government grants for the construction of municipal treatment facilities across the country increased from about $215 million in 1969 to $1 billion in 1971. For 1972 and the following two years the President has proposed increasing the flow of these grants to $2 billion annually, or a total of $6 billion for the three years. Of these grants, a substantial portion is expected to be directed toward the construction of needed sewage treatment facilities on the United States side of the Great Lakes basin which, as I have noted, is estimated to require expenditures of about $2 billion in total in order to meet the terms of the new agreement.

I wish to assure the hon. member that it is the intention of this government to carry out the programs envisaged by the recent agreement and we have every reason to believe that our United States counterparts intend to do likewise.

Motion agreed to and the House adjourned at 10:19 p.m.

HOUSE OF COMMONS

Tuesday, April 18, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

OIL

TABLING OF LIST OF TYPES OF INVESTIGATION INTO PROPOSED NORTHERN PIPELINE

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2) I should like to lay on the table a document in both official languages describing the types of investigation, both environmental and otherwise, being pursued by various government departments with regard to a northern pipeline.

* * *

YOUTH

STUDENT SUMMER EMPLOYMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, in accordance with Standing Order 43 I ask the unanimous consent of the House to move the following motion of urgent and pressing necessity. I move, seconded by the hon. member for Spadina (Mr. Ryan):

That in view of the chronic increase in the unemployment rate of Canadians under the age of 24 over the last two years; the inability of government summer employment programs to assist less than 5 per cent of the over-all youth labour force in Canada and the repeated failure of the government to announce any program to adequately respond to what is developing as a major crisis in youth unemployment coming as it is at the end of the school year—

Mr. Speaker: Order, please. If the hon. member does not follow the rules the motion should not be put to the House. The hon. member knows the rules and he should abide by them.

Mr. MacDonald (Egmont): I was just coming to the direct motion, Mr. Speaker.

That this House directs the government to immediately convene a federal-provincial commission on human resource planning to develop a short-range program offering incentives to assist the hiring of young Canadians on a seasonal basis, and the development of long-range manpower planning to co-ordinate the output and enrolment of our institutions of higher education with the capacity and expansion of our labour market.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Egmont. The motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

NATIONAL REVENUE

BULLETIN CONCERNING DEDUCTION FROM TAXABLE INCOME OF COST OF SUBSCRIPTION LISTS— REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David Lewis (York South): Mr. Speaker, I seek the consent of the House to move a motion under Standing Order 43. Briefly, it relates to an information bulletin issued by the Department of National Revenue one day before the announcement of the sale by the Toronto *Telegram* of its subscription list to the Toronto *Star*. The bulletin deals with the purchase of such lists of customers or subscribers and appears to have the effect of making the purchase price paid by the *Star* deductible for income tax purposes. I therefore move:

That the Standing Committee on Privilege and Elections be empowered to investigate the circumstances surrounding the sale of the Toronto *Telegram* subscription list to the Toronto *Star*, particularly, the circumstances involved in the issuing the day before the sale was announced of an interpretation bulletin by the Department of National Revenue which had the effect of saving the Toronto *Star* $5 million in taxes at the expense of the taxpayers of Canada.

• (1410)

Mr. Speaker: This motion is proposed under Standing Order 43. It requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Speaker: As there is no unanimity, the motion cannot be put.

Inquiries of the Ministry

[*English*]

ORAL QUESTION PERIOD

YOUTH

ADDITIONAL PROGRAMS TO PROVIDE SUMMER EMPLOYMENT FOR STUDENTS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Prime Minister. It relates to recent reports from Canadian industry forecasting this summer's student unemployment prospects and the likelihood they will be unable to absorb many students into this summer's labour force. In view of the 1,300,000 students who will be looking for work very shortly and the over one-quarter of a million young people now unemployed, I wonder whether the Prime Minister can indicate what response is being planned by the government beyond the very miniscule response already announced?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think this opinion was expressed by industry last year around this time. It has some basis in the sense that if there is to be a great hiring of young people this summer it will have to be through industry more than by the government itself. But I remind the House that we did last year at this time, or perhaps a little later, announce certain programs for the summer which were met with a great deal of skepticism by the opposition parties and a very few months later they were thankful the thing had gone through. I hope this will be the situation again this year.

Mr. MacDonald (Egmont): Mr. Speaker, without accepting all of the Prime Minister's answer may I ask this question. In light of the fact that the government programs will utilize less than 5 per cent of the young people seeking employment during the summer months and in view of statements earlier by the Secretary of State that there had been consultation with industry about their being a greater input from industry in meeting this problem, will certain specific plans or programs be announced before the heavy influx of student unemployment which will face us very shortly?

Mr. Trudeau: I can only repeat the same answer. The views of the hon. member are not dissimilar to my own. I said in my answer that the government itself could only absorb a small proportion of the unemployed and the hon. member indicates he agrees with me. That is why last year we had a package of programs; when we have anything to announce this year further to what we have already announced we will do so.

Mr. MacDonald (Egmont): Mr. Speaker, there seems at the very least to be a difficulty in communication as industry itself does not seem to be aware of the plans the government has in mind in respect of the private sector. I wonder whether either the Prime Minister or one of his ministers would be prepared to make a statement on motions shortly giving an indication in some detail of the various programs of assistance or incentives which might be brought forward to alleviate this very serious crisis?

[Mr. Speaker.]

Mr. Trudeau: I do not think the hon. member is justified in suggesting that industry is not aware. He may not be aware and perhaps some persons in industry may not be aware, but industry generally is fairly aware.

Mr. G. W. Baldwin (Peace River): I have a supplementary, Mr. Speaker. I wonder whether the Prime Minister has given some thought to rectifying this problem in two ways, by giving employment to a number of these young people during the month of June as enumerators, election clerks and so on and, hopefully, by a new government after the election in June that might be able to deal with the situation?

Mr. Trudeau: Well, Mr. Speaker that is one of the problems, but there are so many problems—

Mr. Speaker: Order, please. The hon. member for York South.

* * *

NATIONAL REVENUE

ISSUANCE OF INTERPRETATION BULLETIN CONCERNING DEDUCTIBILITY FROM TAXABLE INCOME OF MONEY PAID BY TORONTO "STAR" FOR "TELEGRAM" SUBSCRIPTION LISTS

Mr. David Lewis (York South): Mr. Speaker, I asked the Minister of National Revenue last Thursday, April 13, whether he was aware of an interpretation bulletin issued by his department—I said in October or November; actually, it was issued on September 17, but published in the Canada *Gazette* on October 9—dealing with the acquisition by anyone of a list of customers or subscribers and, if so, whether he would inform the House of the circumstances under which such an interpretation bulletin dealing with the deductibility for tax purposes of the purchase price of a list of subscribers was issued by his department at that time.

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, the interpretation bulletin, No. IT-33, a copy of which I would be happy to table with the consent of the House, was issued on September 17, 1971, as part of an ongoing program to make the public aware of the assessing policies of the department. It embodied a practice first set forth in departmental instructions in March, 1963, and in effect ever since. These instructions were based on several decisions of the Income Tax Appeal Board, for example, John Blunt Publications Limited, (1951), appeal No. 292, (1955), and Halliday Fuels Limited, (1960).

Mr. Lewis: May I now ask the minister whether he would tell the House what particular thing happened or was expected to happen, what particular deal had occurred or was expected to occur, what particular purchase was taking place or was expected to take place, to require that this bulletin be issued one day before the purchase of the *Telegram* list by the *Star* was announced and two days after the deal had been made?

Mr. Gray: As I think I made clear in my answer to the previous question, this was done as part of an ongoing program of the department. Bulletins on various ques-

tions are issued from time to time as work on them is completed, and as far as I am aware there is no connection between the two matters.

Some hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker, the only thing I admire about the minister's answer is his straight face. I should like to ask the minister a second question which I asked him last Thursday. He has offered to table the interpretation bulletin, which I think would be useful, but would he also be prepared to table a copy of any correspondence between anyone in his department and anyone representing the Toronto *Star* or speaking on behalf of the Toronto *Star*, and any memos of conversations that may have taken place between anyone speaking for the Toronto *Star* and anyone speaking for the department?

Mr. Gray: If such correspondence exists I would have no personal objection to tabling the information, but it is my understanding that I would be precluded from doing so by the provisions of the Income Tax Act passed by this parliament.

Mr. Lewis: Mr. Speaker, I rise on a point of order, if I may. I am not asking the minister to table correspondence dealing with any tax matter in which any organization may be involved. I am asking him to table correspondence regarding an inquiry, if there was any, from the Toronto *Star* relating to tax interpretation, which I suggest to him is entirely different, and also any memos there may be of conversations between him and any representative of the *Star*, Mr. Honderich or the Hon. Walter Gordon, or involving any member of his department on this matter.

* * *

• (1420)

[*Translation*]

YOUTH

SUMMER JOBS—POSSIBILITY OF GRANTING TAX RELIEF TO PRIVATE INDUSTRY EMPLOYING STUDENTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the right hon. Prime Minister which is related to other questions put previously concerning the hiring of students during the vacation period.

Since private corporations seem to be somewhat reluctant, as they were last year, to hire students during their vacation, can the right hon. Prime Minister tell us whether the government intends to grant such corporations more tax relief or work out other arrangements with them in order to incite them to hire students during the vacation period?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member should expect a reply to such a question to be given in the course of a budget speech rather than during the oral question period.

[*English*]

NEW POLICIES TO PROVIDE SUMMER EMPLOYMENT FOR STUDENTS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is also on the same subject and is directed to the right hon. Prime Minister. As the government's own recent cross-Canada survey shows that little change in student employment levels is expected this summer compared with last summer, and even given the expected employment programs of the government, are new policies being prepared for the direct employment of the remainder of these students?

Right Hon. P. E. Trudeau (Prime Minister): As I implied in answer to the first question, Mr. Speaker, if any new policies were to be announced they would be announced in the House in due course.

Mr. Ryan: As the average unemployment rate among returning students last summer was 17.9 per cent, is the government designing policies to eliminate or substantially reduce that level and, if the latter, by how much?

Mr. Trudeau: I think I could only answer that question in the same terms as I just used for the first question, Mr. Speaker.

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INDUSTRY

MEASURES TO OFFSET DECLINE IN PRODUCTION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a question to the Prime Minister. As figures released a few days ago by Statistics Canada show that the index of industrial production, with which I feel sure the Prime Minister is thoroughly familiar, has been falling since the first of the year, thereby obviously contributing to rising unemployment in March, is the government planning to introduce new measures in the very near future to change this very serious situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without agreeing with the premise of the question I would say that if any program is to be announced it will be announced in due course in the House—if the House, of course, is sitting.

Some hon. Members: Oh, oh!

Mr. Hees: As the Prime Minister is obviously not familiar with this situation would he make himself familiar with it so that he can give some much needed personal leadership in this very serious matter?

Mr. Speaker: Order, please. That question is not in order. The hon. member for South Shore.

Mr. Hees: In other words, get off your you-know-what.

Mr. Crouse: Watch it, George. My microphone is open.

Inquiries of the Ministry

FISHERIES

DATE OF LAW OF THE SEA CONFERENCE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. The third preparatory session of the United Nations Seabed Committee, attended by delegates from 95 countries, recently concluded a month of discussions on the agenda for the next law of the sea conference. Can the minister tell the House whether a date for this conference has been set and whether the Americans are in agreement with our position in view of the importance of this conference in conserving our fishery resources on the Atlantic coast?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, a date for the conference has not been set. However, in addition to the possible conference of all nations next year in respect of all law of the sea matters, we hope to host a conference here in Canada on fishery matters.

DETERMINATION OF CANADIAN POSITION FOR PRESENTATION TO LAW OF THE SEA CONFERENCE

Mr. John Lundrigan (Gander-Twillingate): I have a supplementary question, Mr. Speaker. In view of the fact the American government has announced several positions with respect to marine resources and the continental shelf and that a number of other countries, including Iceland, have done so, has Canada finalized its position for presentation to the law of the sea conference and, if so, when can we expect a public statement on it?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, we have a good idea as to the policy approach we will be taking. However, we still wish to discuss it with all interested parties including our fishermen, in the interval before the conference.

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POLLUTION

OIL SPILLS OFF WEST COAST—ENACTMENT AND ENFORCEMENT OF REGULATIONS UNDER CANADA SHIPPING ACT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I wish to direct a question to the Minister of Transport. Arising out of the many oil spills which have been taking place on the Pacific coast, including the wrecking of the freighter *Vanlene*, more recently the discharge of bunker fuel into Nanoose Bay, and last Friday the damaging of a barge of the Gulf of Georgia Towing Company Limited carrying 950,000 gallons of oil and gasoline, resulting in the discharge of some 6,000 gallons into the waters of the harbour, I want to ask the minister whether the regulations under the Canada Shipping Act have been passed, and what steps are being taken to tighten up and enforce such regulations with respect to ships carrying oil and petroleum products on the Pacific coast?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it would take a very long time to reply in detail to the hon. member's question. I can say to him, however, that a series of regulations have in fact been gazetted and more are now in preparation and will be introduced over a period of perhaps the next two, three or four months, all of which are designed to have the effect to which the hon. member referred, that is, to tighten up the regulations.

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SHIPPING

SINKING OF TUGBOAT, "HARO STRAITS"

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Transport a related question with reference to the report which I understand he received some two weeks ago regarding the sinking of the tugboat, *Haro Straits*. Has he received such a report, does he intend to make it public, and can he tell the House why no attempt was made to raise the tugboat to the surface or recover the bodies of the five men who were drowned?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, on the last part of the question, no official decision has been made with regard to raising the vessel. I am not disposed against that concept, but we are trying to figure out whether it is in fact feasible to do so. On the matter of the report, an interim report has been received. I am not sure whether I am within the laws of the House in saying it in this way, but I can assure the hon. member that an official inquiry will be held.

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FINANCE

STUDENT LOANS—SUGGESTED EXTENSION OF INTEREST-FREE PERIOD BECAUSE OF UNEMPLOYMENT

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Minister of Finance which is related to some of the previous questions. In view of the rather bleak prospects for employment for university students and university graduates in many cases and the large increase in the number of students who are classified as defaulting on their student loans, will the minister give consideration to extending the interest-free period on loans to students in cases where students whose loans are now due are unemployed through no fault of their own?

Hon. John N. Turner (Minister of Finance): I will take that question and representation into consideration, Mr. Speaker.

Mr. Speaker: I believe the hon. member for Gander-Twillingate has a supplementary to an earlier question.

TRANSPORT

POSSIBLE LEGISLATION RESPECTING USE OF CANADIAN SHIPPING IN OFFSHORE MINERAL EXPLORATION FOLLOWING DARLING REPORT RECOMMENDATIONS

Mr. John Lundrigan (Gander-Twillingate): In view of the fact that the Darling report has been in the hands of the Minister of Transport now for about a year and as it contained some very valuable recommendations as to the engagement of Canadian shipping in offshore mineral exploration, is the minister in a position to tell the House whether these recommendations will find their way into some form of legislation in the near future?

Hon. Donald C. Jamieson (Minister of Transport): I think I can assure the hon. member that some of them will, Mr. Speaker. I think the difficulty is that some of them are contradictory. While the ones to which the hon. member refers may be beneficial on the east coast and in other coastal areas, there are others that perhaps would not be. It is a question of sorting out the recommendations to come up with a compact package, and that will be done as soon as possible.

[*Later:*]

REPLACEMENT OF CANADIAN BY FOREIGN VESSEL—REPORTED NEGOTIATIONS BY CANADIAN NATIONAL RAILWAYS FOR PURCHASE OF VESSELS IN SWEDEN

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is supplementary, is directed to the Minister of Transport and arises out of the question on the Darling report. Would the minister investigate the recent waiver by customs which resulted in a foreign vessel, *Traveltol,* and its crew, replacing the Canadian vessel, *Federal Hudson,* and its Canadian crew on the east coast. Would he also look into the circumstances in which Canadian National is reportedly negotiating in Sweden for two vessels for the Newfoundland trade?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I will be glad to look into that. I know something about it, but the answer would be much too detailed for now. Perhaps I could give the hon. member a written reply.

ANNOUNCEMENTS OF POLICY FOR ATLANTIC PROVINCES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is associated with the Darling report. The minister indicated to me before the Easter recess that certain announcements would be made regarding transportation policy for the Atlantic provinces by the interdepartmental committee or the federal-provincial committee. Can the minister now be more definite about when these announcements might be made?

Hon. Donald C. Jamieson (Minister of Transport): As I recall, and it is from memory, Mr. Speaker, I suggested I would make them available at the time of my appearance on estimates before the Standing Committee on Transport and Communications. If that is inordinately delayed, I will be glad to table them in the House in the interim.

Inquiries of the Ministry

AIR TRANSPORT

RENEGOTIATION OF TREATY WITH UNITED STATES RESPECTING ROUTES

Hon. D. S. Harkness (Calgary Centre): My question is also for the Minister of Transport, Mr. Speaker. I am sure the minister is aware of the urgent need for more air routes in western Canada, particularly for Calgary and Edmonton. Has the minister had any discussions with United States cabinet ministers on the renegotiation of the bilateral air treaty with the United States, and can he give any information about when these negotiations will be concluded and the new treaty signed?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the forum for such negotiations is not between ministers but between two agencies of government in the first instance. We have made strong representations to the United States government with a view to getting better access for western Canada and we have indicated that we are prepared at any time to resume negotiations. I understand the next round will be held some time in June but how soon the matter will culminate in an agreement or whether we will get what we want from the United States is, of course, an open question until the negotiations have been completed.

Mr. Harkness: In view of the fact these negotiations have been dragging on for more than three years at the level of officials, would the minister not consider taking the matter up with his opposite number in the United States government so that an agreement could be expedited?

Mr. Speaker: The hon. member's question is obviously a representation.

* * *

• (1430)

INDUSTRY

AUTOMOBILES—TYPE OF STUDY INTO DIFFERENTIAL BETWEEN CANADIAN AND UNITED STATES PRICES—REQUEST FOR INFORMATION ON FINDINGS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Last Thursday the minister indicated that his department had some ongoing studies into the differential between automobile prices in this country and in the United States. Would he clarify whether he meant that this is a new, specific study, or whether this is a study that was begun some time in the past and was a regular part of his department's work?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, in a nutshell I can say that this is a more in-depth analysis than the type which has been continuously made in the department.

Mr. Broadbent: In view of the importance of the answers determined by the study, would the minister undertake to provide his findings, not in all detail since part of that information might be confidential, but general, economic

information? Would he undertake to provide such information to the House after his studies are completed because of the importance of this question both to the Canadian consumer and to those employed in the industry?

Mr. Pepin: Mr. Speaker, I will be thinking about it.

Mr. Baldwin: Careful! That is a damaging admission.

* * *

[*Translation*]

LABOUR RELATIONS

OBSTRUCTION OF MONTREAL BRIDGES BY QUEBEC CIVIL SERVANTS—ALLEGED REQUEST FOR FEDERAL HELP TO CITY POLICE

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Solicitor General.

In view of the present very difficult situation in Montreal, particularly the systematic and deliberate blocking of Montreal bridges, and of the great difficulty experienced by the police in reestablishing order, can the hon. minister tell us whether there have been requests from the province of Quebec for assistance to Montreal police forces?

Hon. Jean-Pierre Goyer (Solicitor General): No, Mr. Speaker.

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AGRICULTURE

REQUEST FOR SUBSIDY PAYMENT TO QUEBEC EGG PRODUCERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

On March 10 last, the Quebec professional association of millers sent the federal government a resolution requesting financial assistance for the Quebec egg producers. Can the minister tell us what he told the association in reply to its request?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, since then there have been a number of meetings involving the egg producer associations of all the provinces of Canada. Although these meetings have not brought about a final agreement, it has been indicated to me, at least, that the associations are satisfied that a great deal of progress has been made. What I have indicated to them is that as soon as they are in a position to sign an agreement for improving the market structure we will be willing to help financially to improve the situation immediately.

Mr. Baldwin: Is the minister changing his view on the bill?

TRANSPORT

SHORTAGE OF RAILWAY CARS FOR MOVING BRITISH COLUMBIA LUMBER

Mr. Douglas Stewart (Okanagan-Kootenay): Mr. Speaker, I have a question for the Minister of Transport. Is the minister aware of the very serious shortage of lumber cars in the interior region of British Columbia which is causing orders to be lost and hundreds of people to be laid off? If he is not, will he look into this crisis immediately with a view to getting lumber traffic back to normal forthwith?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am aware of the situation, having made some inquiries this morning. The main problem appears to be with the Canadian National supply of cars. An additional 500 cars have been leased from the United States and as of this morning there were something over 1,300 on the road. The CNR has placed additional orders for 1,000 cars, or will convert 1,000 cars during the current year. Therefore awareness of the problem is very high.

Mr. Stewart (Okanagan-Kootenay): Mr. Speaker, I thank the minister for his response. Will the minister or his officials contact the Association of American Railroads and endeavour to get Canadian boxcars returned to Canadian carriers as quickly as possible?

Mr. Jamieson: Mr. Speaker, the Association of American Railroads has been contacted. It does not have any authority to force or require cars to be returned quickly. We are trying to institute a more co-operative arrangement that will get the cars back.

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AIR TRANSPORT

POSSIBLE REDUCTION OF DOMESTIC FARES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of Transport. Has a decision been reached with respect to reducing domestic air fares? My question is prompted by a statement by the chairman of the board of Air Canada regarding the poor profit showing of the airline last year.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, as I believe the hon. member knows, any decision with regard to reducing fares would have to be initiated in the first place by Air Canada. I have had discussions with the chairman of the board of Air Canada with a view to having group fares and various packages comparable to those available overseas made available in Canada. I think some moves have been made in that direction.

Mr. McGrath: Can the minister give the House an undertaking that a decision will be made in this respect before implementation of the summer schedules in Canada?

Mr. Jamieson: Mr. Speaker, I could not, of course, give any such assurance because the decision on fares, I

repeat, is one for Air Canada to make. However, I will be glad to pass along the representation.

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FINANCE

INTEREST RATES AND CANADIAN DOLLAR LEVEL—SUGGESTED STATEMENT ON NATURE OF REVIEW AND POSSIBLE ACTION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, yesterday I directed a question to the Minister of State attached to the Department of Finance concerning the possibility of a statement being made regarding monetary policy. It appears at page 1348 of *Hansard*. I am sure the Minister of Finance has been made aware of the question. I am wondering whether he can now give an answer, particularly to the supplementary question I put.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. member was good enough to direct my attention to the question. I want to tell the House that I see no immediate need to make a statement on interest rates. As to the supplementary question, I am weighing all the economic and human factors before coming to a decision on whether or not there should be a budget.

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GRAIN

RAPESEED—SUGGESTED PROVISION OF INCENTIVE PAYMENT OR FLOOR PRICE TO ENCOURAGE PRODUCTION TO MEET DEMAND

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. It has to do with the very large reduction in the anticipated acreage for rapeseed this year. I think the reduction is of the order of 37 per cent, from 5,450,000 acres to 3,700,000 acres, this being in part due to the uncertainty of price levels. As we have built abroad a very large rapeseed market—indeed, it has been the Cinderella of all grains—would the minister give consideration to providing either an incentive payment, as is provided for barley, or an assured floor price so that the production of rapeseed will keep up with the demands of importers in all parts of the world?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we agree with the right hon. gentleman's contention that the level of production of rapeseed ought to be kept up, even though the market fluctuates from time to time, because the long-term prospects for rapeseed—and rapeseed oil sales appear to be good. We have had a bill before parliament to bring rapeseed under the Canadian Wheat Board Act so that some of the things the right hon. gentleman has alluded to could be done. I do not think we can make the kinds of commitments he has suggested until and unless rapeseed is under the aegis of the Canadian Wheat Board.

Mr. Diefenbaker: Disregarding for the moment the matter of the Canadian Wheat Board, there would be nothing to prevent the government fixing a floor price. I speak as one who comes from an area in northern Saskatchewan that has produced a great deal of rapeseed. Indeed, the motto of the town and district of Tisdale is "the land of rape and Bertha control", following the success last year in beating the Bertha army bug. Would the minister not give consideration to bringing in a floor price for rapeseed so that there would be reasonable certainty of the price being maintained?

Mr. Olson: Mr. Speaker, that is something that the government as a whole would have to consider, obviously. I can advise the right hon. gentleman that we have made some financial advances to the rapeseed association to enhance their marketing capabilities during the past few months.

Mr. Diefenbaker: That has not helped.

[*Later:*]

RAPESEED—POSSIBLE INCLUSION UNDER CANADIAN WHEAT BOARD

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture in light of his answer to the right hon. member for Prince Albert. Is it the government's intention to bring forward legislation to amend the Canadian Wheat Board Act and, since the legislation is permissive, is it also the government's intention, immediately upon passage of that legislation, to have rapeseed brought under the juisdiction of the Canadian Wheat Board?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not think it would be proper for me to answer what might be done if and when a bill is passed. What is stated in the bill is rather clear. I think it has already been stated that we intend to present to parliament a bill that deals with these things.

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EXTERNAL AFFAIRS

POLICY RESPECTING ORGANIZATION OF AMERICAN STATES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Prime Minister. As Canada now has an observer at the Organization of American States, can the Prime Minister enlighten the House as to what the government's plans are concerning that organization? Can he assure us that this is not a step toward membership of our country in the Organization of American States?

• (1440)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member will look back and consider the white paper on foreign policy which was tabled in the House many months ago I think he will find the general stance of the government on Latin America explained there.

Inquiries of the Ministry

MANPOWER

RETRAINING—REDUCTION OF REQUIREMENT OF THREE YEARS IN WORK FORCE—POSSIBLE INCREASE IN ON-JOB TRAINING

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration with regard to manpower training. Is the minister in a position to advise the House at this time regarding the requirement of three years in the work force in order to apply for manpower training and obtain the allowance? Is the minister thinking about reducing that time period? If so, when will it come into effect?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Mackasey: Mr. Speaker, too much applause might destroy my reputation of being rather hard-boiled.

Some hon. Members: Oh, oh!

Mr. Mackasey: I might have to show some emotion, which would be wrong. The fact of the matter is that I think the suggestion of the hon. member is progressive and it is one we have thought about. The answer is yes. As to when such a move would be implemented, that of course would depend on how long the session continues. That could conceivably mean some time before Christmas.

Some hon. Members: Oh, oh!

Mr. Alexander: Mr. Speaker, I, too, welcome the minister. As far as I am concerned, he will still be as fast-footed as he has been in the past. If I may turn to another area, on-the-job training, about which I know the minister is quite concerned in view of the fact it has had relative success, is it the intention of the minister to increase the government's involvement substantially in this area? If so, which Christmas are we talking about if the minister does bring this into effect?

Mr. Turner (Ottawa-Carleton): Save your Santa Claus suit.

Mr. Mackasey: Mr. Speaker, on-the-job training was part of a special emergency training program during the winter months. It is my intention to make it a permanent feature of manpower policy. Of course, this could conceivably be at the expense of other programs that have perhaps outlived their usefulness in order that I can remain within my budgetary requirements.

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AIRPORTS

PICKERING TOWNSHIP SITE—MEETING WITH PEOPLE OVER PLANES GROUP—PROVISION OF INFORMATION

Mr. Norman A. Cafik (Ontario): Mr. Speaker, my question is for the Minister of Transport. As a number of representations have been made by myself and others regarding a meeting between the minister and the People Over Planes group of Pickering township that is to be held here in Ottawa, will the minister indicate when this meeting will in fact be held?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am not certain of the exact date because it is a question of a date that is convenient to all parties, but I assume it will be some time next week.

Mr. Cafik: Is the minister in a position to indicate to the House what information will be made available to this group when the meeting is in fact held?

Mr. Jamieson: Mr. Speaker, I have repeatedly stated that, in so far as the ministry is concerned, anything and everything relevant to this project from the first day of its origination is available. It is purely and simply a matter of trying to work out the proper mechanics for making it open to anyone who wishes to see it.

Mr. Speaker: Order, please. There are two or three members seeking supplementaries on this subject. There are less than five minutes remaining in the question period. I seek the co-operation of hon. members to try to limit supplementaries, although I appreciate the matter is of importance, so that we can go on to the next subject. The hon. member for Ontario has a supplementary.

Mr. Cafik: The minister has indicated he will make all relevant information available. Does this include information with regard to alternate sites?

Mr. Jamieson: Mr. Speaker, I have always assumed that the word "all" means exactly what it says. Therefore, if it is alternate sites, yes.

Mr. Speaker: Order, please. If we have time we will return to this subject matter in a few minutes.

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HARBOURS

CHURCHILL—ESTABLISHMENT OF PORT AUTHORITY—PROVISION OF LOCAL REPRESENTATION

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Transport. In reply to a question I directed to the minister several weeks ago, he indicated that he hoped to be announcing shortly the formation of a port authority at Churchill. Can the minister now say when he will be making this announcement?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, my recollection is that letters of invitation have gone out to the various people who have been proposed for membership on the board for the port of Churchill. I do not know how many of these have been returned. The short answer is that as soon as we get the acceptances I will make a public announcement.

Mr. Speaker: The hon. member may ask a supplementary and then I will recognize the hon. member for Surrey-White Rock.

Mr. Simpson: Mr. Speaker, the minister announced that letters have gone out to the expected appointees. Can the minister again assure the House that local representation on this body has been considered?

Mr. Jamieson: Yes, Mr. Speaker. I am not absolutely certain whether in the case of Churchill there was and is a properly incorporated body. As I recall, there is. It would have been asked to nominate someone. Certainly the province of Manitoba has been asked and has put forward a name which we have of course accepted.

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AGRICULTURE

SUGAR BEETS—ASSISTANCE TO SOUTHWESTERN ONTARIO FARMERS TO RE-ESTABLISH INDUSTRY—LONG-TERM SUGAR POLICY

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Agriculture. Can the minister state whether the government has made a decision on whether or not it will assist the farmers of southwestern Ontario in re-establishing the sugar beet industry? A submission was made to the minister a short time ago on this matter.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, a decision has not been made. As I recall it, and I would like to recheck this, the submission does not necessarily involve a direct assistance program by the federal government. It is far more directly related to such things as longer term marketing and, indeed, the establishment of a refinery that could process the crop.

Mr. McKinley: In view of the minister's answer, is the government giving consideration to the establishment of a long-term sugar policy for Canada so that we can have a viable industry here?

Mr. Olson: Mr. Speaker, the hon. member will recall, I am sure, that we are a party to an international sugar agreement. It is certainly not complete nor perfect, but it is somewhat better than the situation prior to the closing down of the sugar industry in that area.

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POST OFFICE

POSSIBLE RESTORATION OF SATURDAY MAIL DELIVERY

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, my question is for the Postmaster General. I do not see him here but someone opposite could perhaps take notice of it. Is it a fact that consideration is finally being given to restoring Saturday mail delivery service in Canada?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, I will draw this question to the attention of the Postmaster General.

Inquiries of the Ministry

FISHERIES

GOVERNMENT INSURANCE PROGRAM FOR SHIPS—REQUEST FOR DEFERMENT AND REVIEW

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is for the Minister of the Environment and Fisheries. In view of the fact the government's new insurance program covering ships engaged in the fisheries is causing considerable hardship to small ship owners, will the minister consider deferring the program and giving the whole matter a complete review?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the government's insurance program is probably one of the best things any government of this country has ever done for fishermen.

Some hon. Members: Hear, hear!

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AGRICULTURE

BRUCELLOSIS TESTING OF CATTLE—ALLEGED LOSSES RESULTING FROM TIME OF TESTING—REVISION OF PROGRAM

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. It arises out of a previous question I directed to the minister some time ago with regard to possible revisions in the administration of the brucellosis testing program for cattle. Having regard to the fact that a number of losses have occurred which are directly attributable to the administration of this program carried out in early spring, has the minister had an opportunity to consult with the Health of Animals Division and in so doing come up with a better plan for the administration of these tests in respect of timing?

• (1450)

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have had some discussions about this matter. We certainly want to avoid the problem of handling these cattle at the wrong time of the year. If there are any instances where it can be shown that losses were the result of either negligence or some other action on the part of our officers, we would consider an application for compensation in those respects. It is, however, rather difficult to suggest that we change the whole program that has been evolved because the value of these testing programs is very great indeed even in relation to the losses we have had.

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

Mr. Speaker: Order. We have just about reached the end of the question period but perhaps the hon. member might be allowed a supplementary. Then I will recognize the hon. member for Greenwood for the last question.

Mr. Mazankowski: Mr. Speaker, I was not requesting that the total program be changed; I was merely asking for an assurance. Can the Minister of Agriculture assure

the House that a better timing program will be instituted in order to avoid testing these cattle in the spring?

Mr. Olson: Mr. Speaker, we are looking at that very carefully.

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AIRPORTS

PICKERING TOWNSHIP SITE—REQUEST FOR PUBLIC OR COMMITTEE INQUIRY

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Transport and is supplementary to the question asked by the hon. member for Ontario. Would the government give consideration to setting up a full public inquiry, such as the one that was held in London, England, I believe, when a new airport there was planned, so that the public can make representations and the inquiry can examine the evidence as to the need for a new airport and the best possible location for it?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am not at all certain that the forum the hon. member is suggesting would be an appropriate one for achieving the objective he has mentioned. So far as making the material available is concerned, I have already said that that will be done. I might also point out that there will be expropriation proceedings at which all interested parties as well as the public at large can be heard.

Mr. Brewin: Would the minister consider as an alternative referring this whole matter to the transport committee of this House so that witnesses can be examined and the need made clear and public?

Mr. Jamieson: Again, Mr. Speaker, I am not sure that that is the appropriate forum but I would be glad to consider it.

MOUNT HOPE, ONT.—DETAILS OF EXPANSION

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I have a supplementary question for the Minister of Transport. Will the minister soon be in a position to inform the House of the details of the proposed regional airport expansion at Mount Hope, Ontario?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. To the best of my knowledge the drafting is already available; I will look into this and pass the information on to the hon. member.

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

Mr. Speaker: Order. We cannot have further supplementaries on this subject. The question period expired three minutes ago. I think we should call Orders of the Day. I understand the hon. member for Gander-Twillingate has a question supplementary to a previous question. A number of hon. members have not had an opportunity to ask their questions and I have tried to make a mental note of them. I apologize to them for the fact that they were not called upon. In view of the fact they are mostly members in the last row to my left, perhaps we might all work together tomorrow to try to give them priority. Orders of the Day.

ROUTINE PROCEEDINGS

NATIONAL REVENUE

TABLING OF INTERPRETATION BULLETIN CONCERNING DEDUCTION FROM TAXABLE INCOME OF COST OF SUBSCRIPTION LISTS

Mr. Speaker: Order, please. Is the Minister of National Revenue rising on a point of order?

Hon. Herb Gray (Minister of National Revenue): Yes, Mr. Speaker. I wonder whether I could have consent of the House to table the interpretation bulletin to which I referred in an answer I gave earlier in the question period.

Mr. Speaker: The minister needs unanimous consent to revert to motions for this purpose. Is it agreed?

Some hon. Members: Agreed.

• (1500)

GOVERNMENT ORDERS

CANADA LABOUR CODE

AMENDMENTS RESPECTING INDUSTRIAL RELATIONS, LABOUR RELATIONS BOARD, INDUSTRIAL INQUIRY COMMISSIONS AND CONCILIATION BOARDS

The House resumed, from April 17, consideration of the motion of Mr. O'Connell that Bill C-183, to amend the Canada Labour Code, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I enter this debate on the second reading of Bill C-183 briefly and for the purpose of dealing with but one aspect of the legislation. In doing so I shall be reciting a bit of history, and I do so not just because of the interest I have in the story to which I should like to refer but because I think there are one or two points about one change being made to the Canada Labour Code concerning which there should be clarification from the government side.

When I first came to parliament back in 1942, there were still living a large number of employees of the Canadian Pacific Railway who had lost their pension rights as a result of the 1919 general strike in the city of Winnipeg. At that time there were men who were still working for the Canadian Pacific Railway but whose pensions would be

less than they would otherwise have been due to the 1919 strike. There were also many retired CPR employees drawing no pensions at all because they had lost their pension rights as result of the 1919 strike.

It is a fact of history that my predecessor, the late J. S. Woodsworth—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but the Chair is having some difficulty hearing the hon. member. There are several individual conversations being carried on in the chamber. I wonder whether hon. members would be kind enough to go behind the curtains if they wish to continue their conversations.

Mr. Knowles (Winnipeg North Centre): As I was saying, Mr. Speaker, my predecessor as the member for the constituency of Winnipeg North Centre, the late J. S. Woodsworth, during the years that he was in parliament did his very best to persuade the government to take the necessary steps to restore the pension rights that were lost by those CPR workers. I would point out that employees of other organizations, such as Canadian National Railways, the Manitoba government telephones and certain other groups, who lost their pension rights at the time of the 1919 strike had those rights reinstated, but this was never done for the CPR employees.

When it became my privilege to succeed Mr. Woodsworth, one of the battles that I carried on was the attempt to get those rights reinstated. As a matter of fact, it took only a few more years until most of those who had lost their rights had passed on, so it soon became an issue no longer of concern to living people. However, the grievance that had been suffered was so serious that some of us felt legislation should be enacted to make sure that this kind of thing would not happen again.

Accordingly, in the middle forties I started using the device of private member's hour to present various bills in an effort to do this very thing, namely to protect pension rights against loss as a result of a strike or a lockout. My efforts in private members' hour in those days succeeded just as well as similar efforts in private members' hour succeed today. In other words, our proposals were talked out with kindness and approval.

In 1948, the then Minister of Labour, the Hon. Humphrey Mitchell, introduced the Industrial Relations and Disputes Investigation Act. This, indeed, is the piece of legislation which, under the revision of the statutes in 1970, became Part V of the Canada Labour Code and, of course, it is Part V of the Labour Code which is being replaced by Bill C-183, now before us.

Accordingly, when the late Humphrey Mitchell brought in the bill to provide for the regulation of labour matters in 1948, I then started trying to move the appropriate amendment to that bill. The bill was referred to the appropriate standing committee, and in that standing committee I moved an amendment which would have had the effect of protecting pension rights against loss resulting from a strike. I regret to say that in the committee we lost. However, there are times when one does not give up, and when that bill came back to the committee of the whole house I tried once again to move an amendment. This time, in addition to such efforts as I made on the floor of the House, I consulted certain people behind the curtains, in their offices and so on, and did all I could to persuade people in high places that the request I was making was a reasonable and legitimate request that ought to be enacted into law.

As a matter of fact, one of the persons I approached was the Prime Minister of the day, the Right Hon. W. L. Mackenzie King. I pointed out that during his years as Prime Minister he had in fact taken care of a number of grievances that arose during the 1910 labour disputes and the 1919 strike in Winnipeg. He finally expressed agreement that what I was requesting should be made part of the law of the land. Therefore, on June 17, 1948, in committee of the whole, when I moved my amendment that would protect pension rights against loss resulting from strikes, I was met, and I knew by this time this was going to happen, with a counter suggestion made by Mr. Chevrier, who was then Minister of Transport, to the effect that my idea was acceptable, but that the government would like to spell it out in a few more words so it would be clear beyond any doubt.

Actually, the amendment I moved, and this is found at page 5369 of *Hansard* for June 17, 1948, was as follows:

> That section 4, subsection 2(b) be amended by changing the period after the word "Act" to a comma, and adding thereafter the following words:
>
> and without restricting the generality of the foregoing, no employer shall deny to any employee any pension rights or benefits to which he would otherwise be entitled by reason only of his ceasing to work as the result of a lockout or strike or by reason only of dismissal contrary to this act.

The reason those last few words about dismissal contrary to this act were inserted was that these words were already there in the subclause I was seeking to amend. The pages of *Hansard* for that day are in themselves interesting, although they do not tell the entire story. In any case, in the middle of that afternoon a point was reached when the then Minister of Transport, the Hon. Lionel Chevrier, got up and suggested that an alternative wording would be acceptable, and that wording was as follows, and I quote from page 5390 of *Hansard* for that day:

> That section 4, subsection 2(b) be further amended by changing the period after the word "act" to a comma, and adding thereafter the following words:
>
> "and without restricting the generality of the foregoing, no employer shall deny to any employee any pension rights or benefits to which he would otherwise be entitled by reason only of his ceasing to work after the commencement of this act as the result of a lockout or while taking part in a concerted stoppage of work due to a labour dispute where such lockout or stoppage of work has been enforced by the employer or called by the recognized representative of such employee, as the case may be, after all steps provided or contemplated by law have been taken through negotiation, collective bargaining, conciliation and arbitration to settle such dispute or by reason only of dismissal contrary to this act."

In other words, my simple wording was enlarged upon to make it crystal clear that the protection of pension rights against loss resulting from a strike or lockout was to apply only in the case of a clearly legal strike and, of course, it was to apply only after this act of 1948 came into force.

At the page to which I have referred, page 5390 of *Hansard* for June 17, 1948, it will be noted that I accepted

the alternative wording proposed by Mr. Chevrier, whereupon my amendment was withdrawn, Mr. Chevrier's amendment was put and it was carried. At the next page, 5391, there is an indication that the bill was reported, read a third time and passed. In other words, Mr. Speaker, we won the battle and had a provision written into the federal legislation of this country that from then on workers were not to lose their pension rights only because they took part in a strike or were involved in a lockout, provided in the case of a strike that it was legal in terms of the legislation we passed at that time. The provision we thus won on June 17, 1948, was clearly written into the Industrial Relations and Disputes Investigation Act, and the language I have quoted became part of section 4 of that act. Those words are to be found in subsection (2) of section 4. I need not read the words again because I have already placed them on the record.

My point is that since 1948, the law has been crystal clear that what happened in 1919 cannot happen again; that pension rights are protected against loss resulting from a strike. I may say that within a very few years after that legislation was enacted by this parliament, most of the provincial legislatures copied those very words and put that language into their provincial labour laws. I know in this day and age it may seem unnecessary to think of requiring this kind of protection, but experiences in the early part of this century were very tragic and, as I say, this was an important gain to labour, to have this protection put into the law.

Mr. Perrault: Mr. Speaker, may I ask the hon. member a question? Is he aware of the fact that the matter of protecting pension rights is continued in section 184(3)(d) of this bill?

Mr. Knowles (Winnipeg North Centre): I should have thought the hon. parliamentary secretary would have realized that the direction in which I am speaking is such that I will be coming to that very soon.

Mr. Perrault: I am sorry.

Mr. Knowles (Winnipeg North Centre): I was saying before the question was put to me, that one of the beneficial results of getting this kind of legislation into federal law was that most of the provinces adopted it, so it is not now possible for workers in Canada to lose their pension rights because of involvement in a strike.

I want to point out also that when the Statutes of Canada were revised in 1970, this provision was carried forward into Part V of the Labour Code which is chapter L-1 of the Revised Statutes of 1970. Although there was a little rearranging of the words, the same idea is there and the provision is well set down in section 110 of Chapter L-I of Revised Statutes of Canada 1970. So far no change; so far, all is well. Now, as the parliamentary secretary pointed out, this provision does seem to be carried forward in the bill now before us, Bill C-183. He identified the clause, namely clause 184, of the bill now before us. The clause is under the general heading "Unfair Practices". At page 55 of the bill one can read at the top of the page:

• (1510)

No employer and no person acting on behalf of an employer shall . . .

Then, we drop to the bottom of the page and find the following in (d):

. . . deny to any employee any pension rights or benefits to which the employee would be entitled but for

(i) the cessation of work by the employee as the result of a lockout or strike that is not prohibited by this Part, or

(ii) the dismissal of the employee contrary to this Part;

Despite my suspicions being aroused when I see the Liberals making a change, I have read that clause backwards and forwards a dozen times and I think it is all right. There are now only about as many words in that clause as there were in the amendment I moved back in 1948. The Liberals of that day multiplied the number of words about four times. One reason I have entered this debate is that I understand the Minister of Labour (Mr. O'Connell) wants to assume his right to close the debate at the end of second reading and I hope he will give us the assurance that the shortening and changing of the language does not detract by one iota from the basic principle, namely, that pension rights cannot be interfered with in any way because of a strike so long as it is a strike that is legal under the provisions of Part V of the Labour Code.

As I say, I have read the language proposed in 1948 that was in the former statute and that is in the Revised Statutes of Canada for 1970, and I have now read the wording in the new bill, but I would like from the minister the assurance that nothing has been lost by the change of the language or by the shortening of the sentence. I am sure he agrees with me, and I am sure this is what he wants, but I think it would be useful to have his clear statement that it is the intention of the government to continue to have in our law the reform which was won in 1948, namely, that pension rights cannot be lost or interfered with because of a strike.

However, one other change has taken place. If my good friend the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) will continue to follow the legislation that is before us I would ask him to take note of this: The Industrial Relations and Disputes Investigation Act of 1948, in addition to section 4 which provides that pension rights cannot be interfered with because of a strike, contains a section under the heading "Enforcement", section 40, which reads:

Every person, trade union and employers' organization who violates section four or section five of this Act . . .

And Section 4 is the one which dealt with pension rights.

. . . is guilty of an offence and liable upon summary conviction,

(a) if an individual, to a fine not exceeding one hundred dollars; or

(b) if a corporation, trade union or employers' organization, to a fine not exceeding one thousand dollars.

In other words, the Act of 1948 not only provided that pension rights could not be interfered with but also contained a declaration that any employer who did this was guilty of an offence which, on summary conviction, was subject to a fine. That provision for fines, and for treating

the offence as one subject to summary conviction, was carried forward in the Revised Statutes of Canada for 1970. For example, I read section 146 of Chapter L-I, which is the Canada Labour Code:

> Every person, trade union and employers' organization who violates section 110 . . .

And that in the Revised Statutes is the section which deals with pension rights.

> . . . or section 111 is guilty of an offence and liable upon summary conviction,
>
> (a) if an individual, to a fine not exceeding one hundred dollars, or,
>
> (b) if a corporation, trade union or employers' organization, to a fine not exceeding one thousand dollars.

As I say, there was no change from the act of 1948 in the revision made in 1970. But now, when we pick up Bill C-183, the one we are dealing with today, I find there has been a change. May I at the risk of repeating myself make it clear that in the two previous versions to violate that section about pension rights put an employer in the position of being subject to summary conviction and a fine. But under Bill C-183 this seems to have been changed.

I see under the heading "Offences and Penalties" in clause 191 at page 62 of the bill two sub-clauses and it is the second one which is relevant. I shall read clause 191(2):

> Subject to section 190 . . .

That does not do anything because it talks about strikes and lockouts.

> . . . every employer or trade union who violates or fails to comply with any provision of this Part other than section 148, 184 or 185 is guilty of an offence and liable on summary conviction to a fine not exceeding ten thousand dollars.

This is the very striking change to which I call attention. In the case of the act of 1948 and in the case of the Revised Statutes of 1970, it is clearly stated that to violate the section which deals with pension rights is an offence for which there can be a charge and, on summary conviction, a fine. But in the new bill it is clearly stated that clause 184, the clause having to do with pension rights, is excluded from the possibility of being treated as an offence and hence subject to the fines provided.

In my opinion the Parliamentary Secretary to the Minister of Manpower and Immigration is the kind of lawyer I am. You know, we pick up our knowledge of law around here. There may be other lawyers who can explain this to me. My hunch, from having listened to explanations around this place, is that the change probably would result in a person who suffered any wrong having a civil action because some law had been broken, but what has been taken away is the making of this unlawful act an offence subject to summary conviction. I feel very strongly that this lighter treatment in this kind of provision should not remain as it is. I say again I welcome the fact that the provision we won in 1948 has been carried forward. Try as I can, I cannot see anything wrong with the new wording. I think the protection is just as good in the shorter wording as in the 1948 longer version, but I am disappointed and disturbed over the fact that it was previously an offence for an employer to interfere with pension rights because of involvement in a strike, whereas this bill removes that offence. In that sense, there is that much less protection for the worker involved. I hope that when the Minister of Labour responds at the end of this debate, he will deal with this phase of the matter.

• (1520)

As I said, I rose to take part in this debate to deal just with this one matter. My colleagues have spoken generally on Bill C-183. We in this party welcome this bill. The only substantial change we would like to see would be the one that has been asked for, namely that current contracts should be renegotiable with respect to the technological change provisions. But generally speaking, we like the legislation and we hope that it will soon reach the statute books. However, I appeal to the minister when he responds at the end of this debate to do two things for me; one, to give me the assurance that the shorter wording of the provision protecting pension rights is just as meaningful as the longer version was and, second, to assure me that consideration will be given to keeping it as it was, namely, that interference with pension rights because of involvement with a strike is an offence that should be dealt with severely. We do not want any more incidents which cause suffering of the type which occurred in 1910 and 1919. I remind the minister that the provinces copied the earlier legislation, and if we weaken it in any respect at the federal level, they are likely to weaken it too.

I thank the minister for his attention to this one issue which I regard as very important.

Mr. C. Terrence Murphy (Sault Ste. Marie): Mr. Speaker, Bill C-183 is obviously put forward by the government at this time in an attempt to solve the dilemma in which Canada finds itself as a nation which is highly dependent upon trade for its economic survival. When one considers that this country exports about 30 per cent to 40 per cent of its gross national product, and when one considers that those goods are going into markets where the competition is very severe, one realizes that there must be technological advancement in order to enable producers to compete effectively in these world markets. Competition is essential if we are to maintain the standard of living to which we have become accustomed, and if we are to maintain employment at the desired level in Canada. On the other hand, it is also obvious that as new technology is introduced into industry, whether it be by way of materials or by way of machines, the human factor will be involved increasingly. Men or women are necessarily laid off, sometimes in large numbers, in order to accommodate these technological advances or changes.

This bill, as I see it, is an attempt to solve this problem to get us off the horns of this dilemma. At the outset, I would like to say that in principle I agree wholeheartedly with this bill. When I wrote to the former minister of labour some time ago, I said, among other things, that I supported completely the basic principle underlying the Freedman report, namely, that we should not plunge blindly ahead seeking quantitative changes at the expense of human dignity. I firmly believe we must take steps to ensure that the security of people who are disadvantageously affected by the introduction of technologically innovative devices is protected, and that such people are given the opportunity to adapt to changed conditions and to participate in a meaningful way in Canadian society.

Despite that feeling, I do think that the bill with which we are dealing here must be looked at more closely in committee. In the first place, this bill applies only to members of organized unions. It does not apply to all members of the labour force over which the federal government has jurisdiction. Everyone probably knows that there are in excess of 500,000 people within federal jurisdiction governed by the provisions of the Canada Labour (Standards) Code, but only half of those belong to trade unions. It would be nice if some sort of minimum standard could be established in this bill or in another bill, which would provide the same type or protection to those members of the work force who are not members of organized unions but who nevertheless may just as easily be affected by the introduction of technological advances by their employers. I know it may be difficult, but I think it is something that the committee should study well and on which possibly it could make recommendations.

There is one other point which is most deserving of study. Under the bill as it is presently constituted, a bone fide union bargaining in good faith and a bona fide company bargaining in good faith may enter into a collective agreement which will provide the machinery for settling problems which might occur as a result of the introduction of technological change in that particular industry. In other words, the union and the company will sit down and negotiate their contract provisions, either spelling out what will be done in the event that a number of employees are displaced or providing the machinery for settling any disputes which might arise in the event of such an occurrence. In all of these cases, those agreements will provide that in the event of disputes between the bargaining agents, the union and the company, the disputes will be handled by way of grievance procedure. If these disputes are not settled by the use of the grievance procedure, they will end up in front of the board of arbitration—whose decision will be binding on all parties. This will be the result if bona fide unions bargain in good faith with bona fide companies who also bargain in good faith.

On the other hand, if a union does not so bargain or if a company does not so bargain with the result that the agreement which is reached between them does not contain any provision which would take care of people who might be displaced in the event of technological change, under the provisions of this act the union would have the right to apply to the Canada Labour Relations Board which would have the power to grant to that union the right to bargain, and eventually even to strike. So, we have this contradiction. The bona fide union and the bona fide company which bargain in the spirit which we all want, end up with an agreement which could lead to binding arbitration in the event of a dispute. On the other hand, those unions or those companies which do not bargain in the way we wish would end up in a situation in which the union really has more power potentially because it can be given the right to strike in the event of disputes arising as a result of the displacement of people resulting from the introduction of technological change.

It seems to me that this is an anomaly which must be corrected, because I do not feel that the bona fide union and the bona fide company should be put in a weaker position or a position which they might find less acceptable than that of a union which, possibly for many reasons, does not wish to bargain on this very important point. We must remember that despite the provisions of this particular bill, especially those dealing with technological change, unions now have the power to bargain on these very points. I, for one, would like to see less governmental interference in this area. I am a firm believer in free collective bargaining, and the freer it is the better. However, I also realize that not all companies are perfect, and not all unions are perfect.

• (1530)

Since each group is composed of human beings, the representatives of companies and unions on occasion tend to display the human frailties which we all possess. As a result, I have come to the conclusion that there should be some governmental intrusion in this area. There should be some incentive given to unions and companies to bargain in this very important area. However, if the bill remains as presently worded, I cannot see how a union would be given any incentive to bargain. If a union knows that if it does not bargain it may end up with the right to strike in the event of a dispute, why should it bargain and end up with nothing better than the right to submit to binding arbitration?

I suggest a compromise, Mr. Speaker. I know it has been suggested before, but I do not think it has been suggested in this context. It is that those companies which we seek to cover under this clause of the bill should be given no more than the unions and companies which bargain in good faith. In other words, we should consider the concept of introducing some type of compulsory arbitration in the event that disputes arise should technological change be introduced and, as a result, a significant number of employees are displaced.

There is one further point I would like to touch on with reference to this bill. It concerns the clause dealing with the inclusion of supervisory personnel in bargaining units. What exactly is meant by this clause is not too clearly spelled out. I hope the committee will examine it closely. I suspect that what is meant is supervisory personnel at the lowest level. If that is the case, a problem arises because it is the supervisory personnel at the lowest level who, so to speak, are given the job of enforcing the rights of the company under a collective agreement.

It is the lower level supervisory people who have the day to day job of meeting with union stewards and members of a union on the job, and who deal with disciplinary matters. It might well be that they could be included in the same bargaining unit, but I wonder what would be the position of an individual if he were asked to discipline one of his own union members, one of his union brethren. His would be a very difficult situation. I do not think he could wear two hats. This provision opens up the possibility of innumerable situations involving conflict of interest. It is something that has not been much discussed one way or the other. I hope the committee will look into this provision closely, to make sure we are not setting up an arrangement under which there will be such a conflict of interest at a very basic level in any plant.

Having made these few remarks, Mr. Speaker, I wish to commend the government for the attention it paid to submissions which were made, not only to the present

minister but to the previous minister, after the original bill was introduced. The changes that have been made during the last few months have cleared up a number of problems that existed previously. I hope the present minister keeps an equally open mind during the committee discussions.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I want very much to take part in this debate not because I am an expert on labour legislation but because, like most citizens of Canada, I am very much concerned at the labour picture which appears in our country today. At the outset, I wish to commend my colleagues, the hon. member for Hamilton West (Mr. Alexander), the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Norfolk-Haldimand (Mr. Knowles), on the stand they have taken in this debate because I believe they reflected the thinking of the majority in our party. They realized, in a sympathetic and sensitive way, that today labour has a major problem.

These hon. members agree with me that the growing confrontation between labour and the management of corporate structures has an ever increasingly serious effect on the whole population of Canada, and not just on those portions of the population directly affected by particular disputes. One thing we tend to forget is that we are dealing with legislation affecting the main trade unions in Canada. I point out that there are a tremendous number of Canadian workers who are not tied into labour unions. Unfortunately, or possibly fortunately, the tremendous ramifications of government legislation also affect these workers seriously.

As was pointed out by the hon. member for Edmonton West, this occasion gives the government a rare opportunity to see if this legislation can be improved in committee, improved so as to provide leadership for the country and for the provinces concerning a problem that has assumed tremendous proportions within the last few years. More and more, the government is being asked by organized labour and the corporate structure of industry to introduce legislation that will strengthen their respective stands, not only in disputes now under way but in the settlement of disputes that may occur in the future.

Through a process of natural evolution, unions and other organized groups of labour have begun banding together in order to present a stronger front. This has caused the banding together of industries in order to present equally strong opposition. This polarization has gradually brought the country into a position in which many Canadians suffer greatly when an industrial dispute or strike takes place. I do not think the harmful effects which follow strikes are intended, but are spinoffs because of the nature of the action taken. I point to some recent results of such actions in a dispute between employer and employee of which you are well aware, Mr. Speaker. Not long ago an entire city was paralyzed by a fall of snow and a strike of snow removal crews. I will not go into the issue of whether these employees were right or wrong, but a tremendous catastrophe could have come about had there been an outbreak of fire or lawlessness because there was no way in which the population of that city could have been protected.

• (1540)

We are finding that the power of labour has continually increased in this evolution to the extent that it is now possible for very small groups in the labour force to walk out and, because they are affiliated with a larger group, to ensure that their picket lines will not be crossed. In this way a very few people can bring severe hardship to the majority of the citizens of Canada. This is only one of the problems we must look at today.

The second problem that has been brought out by all members who have spoken has been that very often a dispute between a trade union and industry causes a breakdown in normal production so that contracts are lost as well as productivity which sometimes are never recovered. It is Canada as a whole, not just the trade unions or industry, that suffers very dramatically in these circumstances. One unfortunate circumstance which results from a prolonged strike is that many small corporations and individual businesses go into bankruptcy. The strike makes it impossible for them to carry on normal business, so, they are forced to discontinue their operation.

These are the problems to which we should direct our attention, the problems which face all Canadians, and they must be solved. This is why, with my colleagues, I look forward to this legislation going to the committee where I am sure very serious consideration will be given to it. I hope that the government will be ready and willing to accept amendments from whichever party they come. The whole problem must be attacked by parliament, Mr. Speaker.

An ugly situation is developing in Canada today. People who are not affected by the financial outcome of a strike are becoming disillusioned with the use of the strike to settle major problems. All across the North American continent there is the realization that, although strikes were necessary to ensure labour a satisfactory return for its efforts in past years, they may have reached the end of their usefulness as a tool. But, Mr. Speaker, we cannot demand that trade unions give up this tool which, after all, is the only major implement they have to obtain what they feel are their just deserts. In all fairness, I do not believe that we can ask them to forgo this right unless we, as representatives of the people, can offer a substitute that is logical and plausible and which will achieve this end.

Perhaps the labour legislation in the United States which provides for a cooling-off period is a start. Labour unions quickly found that they needed legal expertise to survive, and today they employ some of the best legal brains available. The same can be said for the corporation; their legal officers are experts. At the federal and provincial level, there are in the departments of labour men who have dealt with the problem for years and through study and observation have learned a tremendous amount about the problems involved. Surely, it would be possible for the government to take the initiative to get these three groups together to see if the problem can be solved. I am not in any way suggesting that this has not been attempted, but unfortunately most of the effort has been directed toward solving a particular strike

rather than to achieve the long range solution that is so necessary.

The government has a tremendous responsibility with regard to this legislation, Mr. Speaker. We in the official opposition, and I think I speak for the majority of our members, hope that this is not just another exercise to put up-to-date legislation on the books, but is rather an honest effort on the part of the government to provide a vehicle that can be used to prevent some of the problems we have encountered in the last three or four years. I think there is no question in the mind of any member of this House but that we are embarked upon a collision course between the trade unions and the corporate structure of this country. Every time there is a confrontation between these two there is no winner. Trade union representatives never achieve all they feel they should have. Industry always feels that it has granted more than it should have granted.

• (1550)

So, looking at it practically, when an agreement is reached and a contract signed, both sides to the dispute are granted time in which to prepare for the next confrontation. These agreements never solve anything. By buying time, both sides are able to prepare immediately for the next round of confrontation, which they each know will take place. Thus we see a polarization taking place between the great colossus representing labour and the great colossus representing industry and management, with labour making ever more demands, the confrontations becoming ever more severe, and ever more Canadians being involved and being hurt. That is why I plead today for the government to make full use of this opportunity and, in committee, not to try to process this bill quickly. Let us consider it honestly and sincerely. Let there be consultation between all parties in this House and those who will be most affected. Let us try to bring in legislation that will begin solving some of these major problems.

The kingpin on which this legislation turns is whether or not technological changes are sufficient grounds for the reopening of a contract once it has been entered into by both parties. This is of vital importance to both sides. As I say, we are dealing with two giants, and not with two individual organizations. Naturally, trade unionists are greatly concerned about whether technological changes mean a loss of jobs. They have learned from experience that most technological changes, either temporary or permanently, lead to loss of jobs. On the other hand, industry says that without technological changes it cannot streamline its enterprises and compete in international markets. These are fixed positions. The issue this bill raises is simply this: is technological change, when introduced during the life of a contract, basis enough for renegotiating the entire contract? Labour says yes and management says no, so there is confrontation. It is in this area that parliament is responsible. We must bring in legislation which will make it possible for parliament to guide both sides, for the good of the citizens of Canada.

Most people in Canada are not thoroughly versed in the fine points of labour law or the fine points of contract settlement. They do not want to be so versed. What they do want is the type of Canada where, day after day, they can earn a living for their families. Most families undertake expenditures or obligations which are paid slowly, on budget plans. Our people do not want their normal earning power interrupted by a strike that may not touch them directly but may affect them indirectly. Such a strike may curtail their opportunity for making a living, or their means of transport, or their means of communication. These are the things in which our people are interested. Think of the service we can render the people of Canada and the workers of the world if we, in this House, can formulate a reasonable way of settling these disputes and so avoid the violent confrontations which have been so costly. I think that is what we are trying to do.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, it is a pleasure for me to speak in the debate on Bill C-183, an act to amend the Canada Labour Code. I have listened with a great deal of interest to spokesmen from both sides of the House and have found that I agree with many of the views expressed. At the same time, I must point out that there are always two sides to every question. I have sometimes felt, over the years, that organized labour has received many black eyes which, frankly, I do not think it has deserved. Without doubt, sometimes criticism could be levied at certain strikes which have taken place. Quite frequently, however, the cause lies much deeper than the dispute itself. Setting proper conditions in the economy would, I believe, bring more benefit to the Canadian nation, especially if we could do so in a manner that would ensure that all groups of Canadian society, whether organized labour, pensioners, those in unions and those not in unions, could share in the increasing prosperity which we enjoy every year. So far we have not in Canada, unfortunately, devised a plan for sharing fairly among all Canadians our annually increasing prosperity which is reflected in terms of the gross national product. That is the end to which parliament and hon. members should be working in their attempt to find solutions for the labour-management problem which seems to be with us currently.

This is an interesting and important bill, Mr. Speaker. It contains some new provisions and some necessary changes to existing legislation. It is my intention to support it. I trust, however, that the minister will incorporate in the legislation some of the proposed changes offered by various hon. members in the debate. May I point out that inadequate legislation and lack of real understanding of labour problems on the part of government and management has led to much labour unrest and to many unnecessary strikes over the years.

The present act governing federal jurisdiction in the labour field was introduced in 1948. A few amendments over the years were made to it; but there is no doubt that it has long been out of date and in need of major revision. That is why organized labour has generally indicated that the proposed legislation is an improvement over the old and should be endorsed, despite some of the rather weak clauses in the bill. Other members of my group have dealt with various aspects of the legislation, so I will not cover those aspects again at this time. It is my wish, however, to deal briefly with several interesting aspects of labour problems. I should like to make a few general comments first on the general labour situation in Canada.

A few weeks ago the Canadian Labour Congress and the Canadian Railway Labour Association made their annual submissions to the federal government. Both briefs called for a number of major changes in the government's economic policy and advocated changes which would greatly improve the living standards of all Canadians. Too few people in our country give credit to organized labour for the job it has done over the years to improve the lot of all Canadians, not merely those who belong to some particular labour union. Labour has led the fight to improve social conditions and living standards all over this nation and the improved lot of the average workingman is testimony to the success of its campaign.

I can recall the struggle of some of the early unions for better conditions. Mr. Speaker, I live in a mining area and I know of miners who were blacklisted in every mining camp for having had the courage to strike for such things as the 8-hour day and the 40-hour week. They were blacklisted for wanting clean sheets in the camps and improved safety conditions in the mines. Those of us who have followed them enjoyed the benefits they won for us, although at the time the general public had little sympathy for them. No one today would suggest that they were not justified in their fight for better conditions at that time. The same arguments were used against labour then as now, namely that industry could not afford to meet the cost, but somehow we have survived as a nation and the living standard of Canadians has improved.

• (1600)

An example of labour interest in the welfare of Canadians generally was shown in the briefs presented to the federal government by the CLC and the CRLA. They called for a number of major social improvements, including such things as the war against poverty, and advocated an all-out attack against the increase in poverty which we are experiencing in this country. The briefs called for a guaranteed annual income and an increase in the old age security pension to $100, payable at 60 years of age. They requested the government to establish a cost of living index which would indicate the actual increases in living costs. The briefs called for a revised policy on Unemployment Insurance which would exclude severance pay and vacation pay from the classification of earnings under the act. They requested that severance pay and vacation pay be looked upon as deferred wages or savings, which they are really.

The briefs of these labour unions dealt with pollution problems. Again they requested the federal government to bring in national standards and to enforce the regulations for the clean-up of our environment. They called for more research on environmental problems. The briefs dealt with tax reform, one of the major problems facing this nation. They requested that adequate tax legislation be introduced by this government and that a tax system be established which would bring equality to all Canadians. They urged the government to take action on housing and trade problems, as well as problems dealing with our native people. This is a clear indication that organized labour is interested in the whole Canadian scene, not only in their own union activities. I believe that this is sometimes overlooked by members of parliament and Canadians generally.

I would like to make just one more point on this general position of labour in this and in other countries. The workman has only one thing to sell, his labour. In my opinion, he should have the right to organize and bargain collectively. This bill retains that right. I certainly endorse this aspect of the legislation which we are being asked to vote upon.

I would now like to get down to one or two points in the legislation. While I intend to endorse the bill when the vote comes, I still feel there are several sections which the minister should look into and, I hope, amend. One deals with a basic industry, fishing. I point out to the minister that for years fishermen have been fighting for the rights which any group of workers should have under the various labour jurisdictions in Canada. The present legislation will not give the same protection to fishermen that other labour groups will enjoy. In my opinion, all workers in the fishing industry are entitled to full protection under the Canada Labour Code. For this reason, the definition of a fisherman in this current bill must be changed. I understand that the present wording of the definition will exclude about 75 per cent of the fishermen. I urge the minister to check this very closely and bring in the necessary change to give this group of workers the protection they should have. I see no reason why any group of workers in Canada, regardless of the occupation they pursue, should be discriminated against.

An excellent brief was presented to members of parliament by the United Fishermen and Allied Workers Union some weeks ago. Points in this brief have already been raised by several of my colleagues and others, so I will not repeat them at this time. However, when this bill goes to committee, I urge the minister to invite representatives of this union to present their views. They should be closely questioned on their proposed amendments. I trust that something constructive will come out of this so that this group of workmen will have the coverage they should have under Canada's Labour Code.

There is another point I am going to raise. It is touched upon in the legislation. This deals with discrimination against workmen because of age. I recently had an example in my own area of a man 51 years of age who was denied employment because he was too old. I have taken up this case with the labour department and they are investigating it. This rank discrimination against workmen must stop. We must incorporate in legislation sufficient safeguards to make certain that people in this category are protected against discrimination in any industry in Canada. I am not certain that we have all the necessary safeguards. They certainly ought to be incorporated in a Labour Code because in our industrialized society, we are reaching the stage where industry is more interested in the younger workers than those who are getting on toward retirement age. This is another field where we will run into a great deal of trouble unless discrimination of this type is nipped in the bud. I feel it should be done through legislation.

There is another matter I would like to discuss briefly. I think this is one of the most important items in the whole field of labour-management relations. I am going to talk briefly about conciliation procedures. In my opinion, it is in this area that one of the major weaknesses in labour

relations lies. I do not think we have enough skilled labour negotiators. I do not think that governments generally, federal or provincial, have paid sufficient attention to this very important aspect of settling a dispute between labour and management. Much more can be done. One of the worst examples in Canada of this weakness is our own federal government. Time after time, we find that negotiations do not begin until the expiry date of the contract is very close. Sometimes the expiry date of the contract passes before finally, in desperation at the lack of progress being made in the negotiations the workers are driven to strike. This should not be. This is part and parcel of the conciliation procedures which I think should be looked into and updated.

• (1610)

The federal government should be the employer in Canada that sets standards. It should be the employer in Canada that gives guidance to other employers in the treatment of agreements that become due. But in many instances we have seen the sorry spectacle of the federal government being one of the worst offenders as far as labour contracts are concerned. I trust that from now on we will see an improvement in this regard.

We have had a great deal of discussion about technological change, and to me this is the most important aspect of the whole bill. Our group welcomes the inclusion of provisions in the legislation dealing with technological change. There is no point in burying our heads in the sand, because technological change is with us and is increasing in scope. The mere fact that these provisions are included in the legislation is an indication that we are looking to the future.

There is no doubt that we are going to run into trouble in this regard. Workers in some industries are very apprehensive about their jobs and will try to protect them in negotiations with management. This is one other problem facing Canada today. If our economy guaranteed a job to every Canadian who wanted one, and I believe it is the right of every Canadian to have a job if he wishes to work, I am quite certain many of these strikes which currently take place would not arise. I think it is the failure, not only of the government but of the members of the House, to set up an economy that guarantees work for individuals that is often the basic cause of much of the labour-management unrest that we have in this country.

We hear a lot about the loss to the economy through strikes, and I frankly admit that this loss is very serious. But there are other losses that are much more serious. Take, for example, unemployment. There are some 650,000 Canadians who are out of work every day of the month. Over the course of one year, this means about 150 million working days are lost. In the case of workers who for reasons of ill health are forced to lay off work, the number of man days lost is far greater than the man days lost as a result of strikes. I am not trying to say that work days lost through strikes is not a serious matter because it is, and we should try to bring the parties together so that we can lessen the number of strikes taking place in this country. But surely we must look at the situation in perspective and realize that there are other areas in which the loss of work days is far more serious than the loss that is usually attributed to striking unionists.

[Mr. Harding.]

Again may I point out I am certain that the tightening up of our labour procedures will help materially to improve labour-management relations. This is the reason I am so pleased to see the progress that is apparently being made in the field of labour relations through the implementation of this legislation. I shall not say more, Mr. Speaker. When the bill comes back to the House, we shall have an opportunity of seeing any changes that have been made in the committee. Again, I urge the minister to look very carefully at the suggestions that have been made by various groups. I hope that when the bill returns to the House we will see a further tightening up of the legislation which I and most Canadians hope will bring about a better era of labour-management relations in Canada.

Mr. Deputy Speaker: Order. Before I recognize the hon. Minister of Labour, I should advise hon. members that if the minister speaks now he will close the debate at this stage of our proceedings.

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I will be very brief. I want to thank all hon. members who have participated in the debate over the past several days for the contributions they have made. I particularly want to express my gratitude for the general climate of opinion evident from the contributions made by members on both sides, which I take to be an opinion favourable to the principles of the bill. I think this bodes well for the debate that we will be having at the committee stage.

Having listened to the members of various opposition parties and members on this side of the House, I feel that there has been a general endorsement of the basic principles of the bill, though some caution has been expressed. Interest has been shown in specific clauses, and during the committee stage we will have the opportunity of exploring these. I welcome the attendance of members at the committee stage and I assure all hon. members that, so far as the Minister of Labour is concerned, it will be very worthwhile to issue an invitation to any interested groups in the country to come forward and make representations.

I recognize that this bill has come forward at a time when there is very high public interest in labour disputes. Indeed, this interest is not only high but is coloured and sharpened with a certain degree of irritation. It comes at a time when there is a large amount of group militancy, not only in Canada but in many other countries as a result of efforts made to change social, economic and other conditions under which people live. Therefore, we find a bill which is the first attempt to amend the Industrial Relations and Disputes Investigation Act in 24 years coming forward at a time when people are far more critical and less passive than they have ever been in the past. This is why I am encouraged to hear there is a general acceptance of the broad approach reflected in this bill through the endorsement of it by members on both sides of the House.

The bill in its broadest sense is designed to put a legal framework around the collective bargaining process and to regulate the relationships between employers and employees in the public interest. I trust that is what we

will conclude even when we have been through the committee stages and various members have brought forward their specific criticisms.

• (1620)

The hon. member for Hamilton West (Mr. Alexander) expressed general support. He modified it with some caution and drew particular attention to the recommendation of the Woods task force concerning a public interests disputes commission. Other members have drawn attention to this proposal. I have studied it very carefully, and I have concluded it would not be a contribution to dispute settlement in Canada. I am not going to go into the reasons for that at this stage, but I know it will come forward in committee and I should like us to have a very thorough investigation of that proposal to see exactly what it would mean, particularly for us as parliamentarians. It has very serious implications for the role of government in dispute settlement, and particularly for the role of members of parliament. It will be a good thing to have that out in committee to see every side of it.

The hon. member for Moose Jaw (Mr. Skoberg) highlighted the technological provisions in the bill, but seemed to be saying that employers should be in the same position whether or not they had provision or procedures to deal with technological change. I may have understood him wrongly, but as I listened I thought he was saying that even though there are provisions or procedures an employer ought to be put into the position of having a contract reopened during its closed season. We have not taken that approach, and because we have not there are exemptions from technological change provisions inserted in the bill. I hope that question, too, will come forward at the committee stage.

The hon. member for Gamelin (Mr. Portelance) made a very interesting contribution in drawing our attention to the New Zealand experience, which is also the experience in another Commonwealth country, Australia, where there are mandatory arbitration procedures and the use of labour courts. He indicated quite clearly that this process has its failures, that the mandatory or compulsory arbitration approach is not likely a successful one because there are strikes that just happen to be illegal. We have turned our backs on that process here in favour of a process that continues the Canadian experience of investigating disputes, going through a conciliation procedure with a mediation procedure following that.

When we look at the figures in respect of federal jurisdiction we have no reason for complacency, but we do have reason to believe it is a basically satisfactory procedure. About 95 per cent of the disputes into which the labour department has been drawn have been settled without strike action. Moreover, some very interesting statistics concerning man-days lost in the federal jurisdiction are available.

For example, in 1966 there were 133 man-days lost out of every 10,000 man-days worked. In 1971, that was down to 9 days lost out of every 10,000 days worked. We will not be able to maintain that level, undoubtedly, but I think it does reflect the building up of mediation procedures in the department under the former Minister of Labour. He is in the House this afternoon and I think we all want to welcome him back after his absence, just as we want to recognize the major contribution he has made to this bill I am now putting before the House. The mediation procedures launched during his time in office had a great deal to do with improving our experience in federal jurisdiction over the past three or four years.

The hon. member for Gamelin once again drew attention to the settlements on the St. Lawrence docks. I hope members will forgive me if I just allude to that again, but it, too, confirms and reinforces our confidence in the mediation procedure which goes into effect as soon as a contract is signed. It should be a constant and permanent feature as it is very helpful where there is a third party; an honest broker, a neutral observer or a person who gains the confidence of both parties to a dispute, works with them constantly and helps bring about an amendment to a contract during a period voluntarily agreed upon. This helps the parties calm down their emotional postures or positions that are adopted psychologically during these relationships, and this is very difficult to improve.

That mediation procedure was used in respect of the complex situation at the docks and the settlement that has emerged there is perhaps a milestone, as much as it is a monument to the previous Minister of Labour, in labour history. The wage settlement is extremely modest, but that is not the important thing at all. The important thing is that the employers, having combined in a council, looked at that situation; the longshoremen looked at their situation and the long-term future of the Montreal, Trois-Rivières and Quebec docks, and came to the view that they could to the benefit of both sides exchange productivity, give up absolute work practices and gain real and effective productivity in exchange for job security and pension changes, and other things that have some real benefit.

As the hon. member for Gamelin mentioned, I think there are many other situations in Canada which can be described as technological laboratories where human relations are involved, where those involved could usefully follow the pattern which was instituted in respect of the docks, with particular relation to job security and the retirement benefits in exchange for the giving up of featherbedding practices and other work rules that really injure the Canadian economy as well as the economy of the local community.

In this bill we are seeking to encourage the parties to bring into their bargaining procedure the whole question of technological change. Many others here have referred to this as a basic element they want to support, regardless of other features of the bill about which they are not too sure at the present time.

All I want to say to the hon. member for Moncton (Mr. Thomas) is that I appreciate the common sense he displayed. He ought to have stuck to his own remarks and omitted all those quotations, which really came from academics, many of which in my opinion were irrelevant to the situation and undermined the very common sense proposals the hon. member was making. He sounded better when he was on his own.

The hon. member for Winnipeg North (Mr. Orlikow) reinforced his acceptance of the basic Freedman princi-

ple, the right to bargain collectively in respect of the effects of technological change. I think he spoke for all of us in this regard. We all know that the labour force of Canada is not against technological change and does not want to retard or prevent it. Our whole future as an effective, modern economy depends on us absorbing that technological change and, in fact, putting it to work for us as a society. We do not want the effects of it to weigh so heavily and perversely on the employees of enterprise.

Many employers are approaching this matter in an intelligent way, recognizing a social and human responsibility, and we want to extend that principle, so far as we can, in the federal jurisdiction by encouraging the extension of this process. That is the basic feature of the bill.

The hon. member for Nickel Belt (Mr. Serré) represents an area with a very high organized labour population. I think he said that 80 per cent of his constituency is involved in the organized labour movement. I was encouraged to hear him say that this bill would not only be good for labour but would be good for management. I do not know that I will be able to comment on the very interesting remarks made by so many members on both sides of the House. I particularly wish to say I appreciated the remarks of the hon. member for Kamouraska (Mr. Dionne). He has a background in labour affairs as a result of his experience in the union movement, and he made a very useful contribution to the debate as it began on its first day. The hon. member for Red Deer (Mr. Thompson) suggested the bill should encourage more of the sort of quiet process that was followed on the St. Lawrence docks. If he understood the bill, he would know that is exactly what it is trying to do. He suggested that the process that went on there is the very kind of thing that reduces the adversary approach. All of us know the kind of group militancy that is common in society, not only in the labour-management field. If we think about it for a moment we will see it as part of the social environment today.

• (1630)

We find as the complexity of society increases that the interdependence of all of us on each other increases and it becomes very difficult to effect change and therefore group militancy has become very common. We must contain that. We cannot turn it off entirely because we have a free society, but we must contain it. The kind of quiet activity which went on at the docks was exactly designed to contain it in the sort of framework we have created and are modifying now. What he was appealing for is exactly what we are trying to bring about in this bill.

The hon. member for Winnipeg North Centre (Mr. Knowles) asked for certain assurances concerning clause 184 in the bill. I can give him the assurance that there is no intention to change the provisions respecting pensions, and in our view there has been no change in the protection of pension rights during or as a result of a strike. I think that was the assurance he wished. I want to say with as much clarity as I can that there was no intention to alter that which existed in the previous bill. In our view nothing has been altered from the previous bill with regard to those pension rights which might otherwise be affected by a strike.

[Mr. O'Connell.]

Mr. Knowles (Winnipeg North Centre): Would the minister permit a question at this point? Would he also comment on the change which appears in the bill in respect of penalties for violating that clause?

Mr. O'Connell: Yes. I was just about to mention that. I believe it was clause 190 to which our attention was drawn.

Mr. Knowles (Winnipeg North Centre): Clause 191.

Mr. O'Connell: Clause 191, subclause 2, omits the offence to which the hon. member referred going back to clause 184(3)(d). Now, may I refer him to clause 189. It is in that clause that we believe we have coped with it in even a better way by making it an unfair labour practice to be considered by the new Canada Labour Relations Board. In our view a fine may not be the right way in which to approach it. It is far more important to have the unfair labour practice brought before the Canada Labour Relations Board. The clause in question states that the Board may by order require the party to comply with that section and may do certain other things to enforce its order of compliance. We think perhaps the enforced compliance is better than a fine. Once again in the committee we would be glad to have opinions concerning whether we have done the better of two things. However, I do wish to give the assurance that there was no intention to retreat from the positions which existed previously.

I know there are many members who have raised very interesting points concerning arbitration procedures, concerning the supervisory personnel, concerning appointments to the Canadian Labour Relations Board and whether that board should be a representative board as we have understood the existing one to be or whether it should be a public interest board as we believe it ought to be. Interesting points were also raised concerning bargaining rights for professionals and other matters of that kind.

However, one other subject came up so frequently I want to refer to it specifically. It was brought up by the hon. member for Burnaby-Seymour (Mr. Perrault), the hon. member for Surrey-White Rock (Mr. Mather), the hon. member for Comox-Alberni (Mr. Barnett) and the hon. member for Kootenay West (Mr. Harding). Many members have referred to the position of the fishermen. We have taken a step forward with regard to the bargaining rights of certain fishermen. It is true we have not covered all commercial fishermen. We do not want to leave the impression that there is discrimination. We have taken a step further with regard to those who share in the catch as fishermen. This provision is similar to the one which applies to dependent contractors in the trucking industry. We have grave concerns about going any further at this time. We have grave concerns over the legal question of the right of including others as employees under this act who may in fact not be employees. However, I did meet with the representatives of the Allied Fishermen's Council. I had a very good talk with them. I expressed a great deal of sympathy for the case they were making. I advised them we do not feel we can go further at this time than is being proposed but we will have it out again in the committee. So far as I am concerned, they are very welcome to return and I would appreciate it if they would

come back and place before the committee the case they are trying to make.

We know there are various provincial governments which are moving in this field, as in other fields, further than industry might like, as in the case of the pulpwood lot people who cut and sell pulpwood to others. There is a special question here and I want to express a great deal of sympathy in respect of the bargaining rights of these people concerning prices and other conditions. At the same time, however, I would of course be frank to say we may not have the jurisdiction and this question has to be settled.

Mr. Speaker, these remarks will conclude those I wish to make in closing this second reading debate. Let me again thank all those who participated. I believe they did so with a great deal of thought in this area and with a high spirit of interest. I look forward to meeting them again in the Standing Committee in the very near future. I hope we can get this bill into law so that its beneficial measures can become operative.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. Is the House ready for the question?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Yea.

Some hon. Members: Nay.

And more than five members having risen:

The Acting Speaker (Mr. Boulanger): Call in the members.

• (1640)

[*English*]

Mr. Alexander: Mr. Speaker, I rise on a point of order. This is most unusual, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): There can be no point of order, since I have already called in the members.

The House divided on the motion (Mr. O'Connell), which was agreed to on the following division:

• (1650)

(Division No. 10)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Allmand
Andras
Badanai
Baldwin
Barnett
Barrett
Basford
Beaudoin
Béchard
Bell
Benjamin
Benson
Blackburn
Blair
Blouin
Borrie
Boulanger
Breau
Brewin
Broadbent
Buchanan
Burton
Cafik
Carter
Chrétien
Clermont
Coates
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Crossman
Crouse
Cullen
Cyr
Danforth
Danson
Davis
Deachman
Deakon
De Bané
Dinsdale
Dionne
Douglas
Drury
Dubé
Dupras
Duquet
Fairweather
Faulkner
Flemming
Forest
Forget
Fortin
Foster
Francis
Gauthier
Gendron
Gervais
Gilbert
Gillespie
Gleave
Goyer
Gray
Grills
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Gundlock
Harding
Harkness
Hogarth
Hopkins
Howard (Okanagan Boundai
Howe
Hymmen
Isabelle
Jerome
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lachance
Laflamme
Laing (Vancouver South)
Lambert (Bellechasse)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Laprise
Latulippe
Leblanc (Laurier)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
Lewis
Lind
Loiselle
Lundrigan
Macdonald (Rosedale)
MacInnis (Mrs.)
Mackasey
MacKay
MacLean
Macquarrie
MacRae
McBride
McCleave
McCutcheon
McGrath
McIlraith
McKinley
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marshall
Mather
Matte
Moore
Munro
Murphy
Murta
Nesbitt
Noël
Nystrom
O'Connell
Olson
Orange
Orlikow
Osler
Otto
Ouellet
Paproski
Peddle
Pelletier
Penner
Pepin
Perrault
Peters
Portelance
Pringle
Prud'homme
Reid
Richardson
Ritchie
Robinson
Rochon
Rock
Rodrigue
Rose
Roy (Laval)
Ryan

Messrs:

Saltsman	Thomas (Moncton)
Scott	Thomson (Battleford-Kindersley)
Serré	Tolmie
Sharp	Trudeau
Simpson	Trudel
Skoberg	Turner (London East)
Skoreyko	Turner (Ottawa-Carleton)
Smith (Saint-Jean)	Valade
Southam	Walker
Stafford	Weatherhead
Stewart (Cochrane)	Whelan
Stewart (Okanagan-Kootenay)	Whicher
Sulatycky	Whiting
Sullivan	Winch
Thomas (Maisonneuve-Rosemont)	Yanakis
	Yewchuk—187.

NAYS

Messrs:

Godin Hellyer—2.

• (1710)

Mr. Speaker: I declare the motion carried.

Bill read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

Mr. Alexander: Mr. Speaker, I rise on a point of order. May I say that at times one can expect the co-operation of hon. members. As I understood it, there was an understanding in this House among hon. members about the disposition of this bill after second reading. The Minister of Labour (Mr. O'Connell) made a speech closing off debate on the second reading stage of the bill. He patted hon. members on the back for their contributions. Nevertheless, the understanding agreed on has been violated by certain government members who have attempted to use this House for their own selfish purposes.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Bell: The government doesn't have the guts to call an election now.

Mr. Alexander: Mr. Speaker, the Minister of Labour called for the co-operation of the opposition—

Some hon. Members: Oh, oh!

Mr. Alexander: I have all the time in the world. I am being serious now. As I say, the Minister of Labour called for co-operation. Let me say this, too. We wish to be responsible; however, so far as I am concerned, I do not want anybody to cross the floor or go behind the curtain in future and seek my co-operation, because I will not give it.

Some hon. Members: Hear, hear!

Mr. Alexander: Until certain people here can act like gentlemen and arrive at an understanding in the spirit appropriate to gentlemen, and I am afraid certain government members have a long way to go, there will be no co-operation from me in the future.

[The Acting Speaker (Mr. Boulanger).]

Some hon. Members: Hear, hear!

Mr. Jerome: Mr. Speaker—

Mr. Speaker: Order, please. I doubt whether that is a point of order. I do not think there should be discussion on what is not, to my way of thinking, a point of order.

Mr. Jerome: Mr. Speaker, I rise on a question of privilege. I see the minister is rising. Perhaps I can raise it after the minister has completed his remarks, Mr. Speaker.

Mr. O'Connell: Mr. Speaker, the Minister of Labour was drawn into the alleged point of order by the hon. member for Hamilton West (Mr. Alexander), who complained about some misunderstanding. I declare here that I never went behind the curtain and I did not come to any understanding. I do not want to be associated with going back on any understanding, because I entered into none.

Mr. Jerome: On a question of privilege, Mr. Speaker, although I was not mentioned—

Mr. Alexander: You are the one I am after.

Some hon. Members: Hear, hear!

Mr. Jerome: If I am the one the hon. member is after, Mr. Speaker, I cannot understand why he did not say so. I understood from his remarks that he referred to conversations I had had with hon. members opposite about this bill being passed on division by ten o'clock last night. That is what we discussed, and that did not take place. As hon. members know, there were discussions relative to the passage of the bill at nine o'clock, I believe. We talked about the bill being passed on division by ten o'clock. That was the suggestion that was made last night, and what was suggested did not happen. Instead, debate was carried on for some time this afternoon by other hon. members of the House. The understanding not having been carried out, the situation has become entirely different. That is exactly what happened and I do not feel in any way, Mr. Speaker, that any confidence has been broken or any understanding transgressed in any way.

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

Mr. Speaker: Order, please. The hon. member rises on a question of privilege. I do not think, in the first place, that he raised a valid point of order. We have already had a few minutes discussion on the matter. I think we should try to get on with private members business which, too, is important. The hon. member having sought the floor on a question of privilege, the Chair will recognize him.

Mr. Alexander: Mr. Speaker, I rise on a question of privilege arising from the remarks made by the Minister of Labour. Of course, my remarks were not directed to him.

Some hon. Members: Hear, hear!

Mr. Alexander: To any who believe that they were, I must say that they were not. My remarks were directed to

the parliamentary secretary and, no matter what he says, I say to him, your observations are incorrect.

Some hon. Members: Oh, oh!

Mr. Alexander: The argument that you just delivered is meaningless.

Mr. Speaker: Order, please. The hon. member knows he should address his remarks to the Chair.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment this evening are as follows: the hon. member for York South (Mr. Lewis)—National Revenue—Issuance of interpretation bulletin concerning deductibility from taxable income of money paid by Toronto "*Star*" for "*Telegram*" subscription lists; the hon. member for Halifax-East Hants (Mr. McCleave)—St. Lawrence Seaway— Participation with United States in study on possible year-round operation; the hon. member for Central Nova (Mr. MacKay)—Industry—Closing of McBean Colliery—Provision of pensions similar to benefits for Devco miners.

The House will now proceed to the consideration of private members business as listed in todays order paper.

PRIVATE MEMBERS' PUBLIC BILLS

CANADA ELECTIONS ACT

AMENDMENT CONCERNING PUBLICATION OF RESULTS OF OPINION POLLS

Mr. Robert C. Coates (Cumberland-Colchester North) moved that Bill C-15, to amend the Canada Elections Act (publication of the result of opinion polls) be read the second time and referred to the Standing Committee on Privileges and Elections.

• (1720)

He said: Mr. Speaker, in speaking on Bill C-15, I would first like to place on the record the explanatory note that outlines the purpose of this bill. It reads as follows:

The purpose of this amendment is to prohibit, and to make punishable as an illegal practice, the publication in any manner before election day of the results of a poll of the political opinions of the electors. The proposed amendment does not prohibit the taking of such a poll for private purposes.

This is not the first time this bill has been debated in this chamber. Each time I have placed it on the order paper, I have found that it has produced a good deal of valuable discussion among the public and the media. I found that if it does nothing else, it at least makes the public aware of some of the dangers associated with opinion polls, especially those used during election campaigns and published by the media, particularly the newspapers of this nation. In my opinion, this practice all too often results in newspaper promotion stories about the polls rather than the merit of political parties' campaigns and the policies that are being proposed.

I first introduced the bill because of what happened in the last provincial election in the province of Quebec. I felt that newspapers used opinion polls to stampede the electorate to vote for the Liberal party of that particular province at that time because of issues that developed around the Parti Quebecois whose object was to separate Quebec from the remainder of Canada. In this regard, I would like to quote some comments that appeared in the press during that election campaign and one that followed in Great Britain which produced a similar result. These results indicate that most of the time opinion polls do more damage than they do good. All too often, the result of such publication is that people involve themselves in discussions about the relative strengths of political parties based on percentages reflected by these polls rather than the relevant strengths of political parties based on whether they have the policies that will be of greatest value to the future of either a province or the nation.

I should like to place on the record some of the comments made by Charles Lynch in an article that appeared in the Ottawa *Citizen* of May 7, 1970 concerning polls and what transpires when newspapers use them to try to convince the electorate that certain things may or may not happen. Mr. Lynch said in part:

The polls introduced a scare element into the campaign—

He is talking about polls that appeared in newspapers in the province of Quebec during the Quebec provincial election campaign.

—and had they not done so, there is reason to believe that the Parti Quebecois might have run up a larger vote on election day than was actually the case.

The polls led to the celebrated Brink's truck evacuation of Montreal.

Publication of the polls altered the tone of news coverage of the campaign, thrusting the separatist issue to the fore, and leading the CBC to decide that the election merited night-long, nationwide coverage on television.

It can be argued that the polls rendered a national service, if indeed they served to check the separatist surge and swing the undecided vote to the Liberal federalists—but however desirable the results, the fact remains that the polls intruded into the basic democratic process of holding an election.

The poll results became central to almost everything that was written about the Quebec election between April 18 and April 29. And they diluted what otherwise would have been the shock effect, provincial and national, of the size of the separatist vote on election night.

No political commentator is likely to argue for the abolition of advance polls, or straw votes as they used to be called, because they give us so much to write about in the course of a campaign.

They may even keep us from looking more foolish than we usually do, and for an example of that we need only look back to the British Columbia election last August.

Without the help of the polls, most commentators labored under the impression that the NDP would upset the government of Premier W. A. Bennett. When the results were in, the pundits headed for the border with the laughter of the victorious Mr. Bennett echoing in their ears.

The voters had spoken, without benefit of opinion polls, which might or might not have influenced the result had they been legal.

People in my line of work realized how heavily we have come to depend on the polls in our campaign reporting, and we learned a badly-needed lesson about the importance of discussing election issues, rather than forecasting results.

The question is not whether or not the polls are accurate—most of them are remarkably so. Rather, it's whether or not they distort the democratic process and, by depicting the voting pattern in advance, alter it.

It has been my contention that polls are and can be used for the particular benefit of the person or persons producing them. They can be accurate, as Mr. Lynch points out in his article, or they can be completely inaccurate. Their inaccuracy can do great damage by fooling people who do not usually pay much attention to newspapers but depend on them during election campaigns to provide them with the facts as seen by what they have come to believe are political analysts of some repute. Unless we have some type of regulation of opinion polls, they could be misused in a very dangerous manner.

I have pointed out in the past that there are two newspaper chains in this country to which such a large proportion of the reading public subscribes they can pump much information into their homes that may or may not be accurate. It is not good enough to say the people will find out eventually because, during an election campaign, people depend on the accuracy of what they are reading. If it is not accurate, it is too late after an election campaign to make corrections because decisions have been taken on the basis of what the people read. It is no help to say, what is the difference; what we said was inaccurate but has been corrected now.

I wish to give an example of another serious problem, that of the monopoly building up in the newspaper field. Although the figures may have increased now, some time ago Southam News Services had a readership of its various newspapers in Canada of 849,364. FP Publications had a readership across Canada of 858,589. So that between these two there are over 1.5 million readers. The Thomson chain had a readership of 371,006, though this figure may have increased now. This is an indication that the three combined have a readership of about two million daily.

• (1730)

If these newspapers were so inclined—I am not suggesting that they would be—they could join together to perpetuate the dissemination of a great deal of false information by means of polls, especially during the last week of an election campaign. This is why I am concerned at the lack of any regulation today. Any political party could publish a poll, and in such a way that the public would not know that the party concerned was putting out misinformation in order to create a certain impression in the minds of the voting public. This situation concerns not only me but, I am sure, many Canadians.

Many newspapers and individuals across this country are asking whether polls should or should not be allowed. I believe there should be some kind of regulation that would at least ensure they had some authenticity; that there should be some requirement that must be met before they could promote whatever purpose the poll had in mind. I do not know whether this will ever be the case but I do know that we should keep discussing the question if for nothing else than to make the public more aware that there is some doubt about the validity of polls and that they should not place too great a dependence upon them. If we are able to make people better aware that they should not read too much into polls or place too much dependence upon them, that polls can be inaccurate, then during the time that is available to us today we have at least accomplished something. As I see it, this is one of the values of private members' bills.

There will be a general election campaign not too long from now, whether in June, in October or next April or May. I would not like to see in the next general election in Canada a recurrence of what happened in Great Britain during the last general election campaign in that country. In that campaign the people of Great Britain were placed in the position where the political parties were not discussing anything but where they stood in the most recently published poll. They were concerned that the Labour party was ahead by six points, that the Conservative party was catching up and was behind by three points, and so on. Each newspaper had its own poll which it claimed was more accurate than any other. The pages of the newspapers which should have covered the policies being put forward by the two major political parties in that country were, instead, filled with information about what those newspapers were determining to be the public feeling as a result of the polls they were carrying out. This is an unfortunate situation and I should not like to see it repeated in this country during the next election campaign.

What we should see on the pages of newspapers during an election campaign are the issues in the campaign, the policies of the various political parties and views as to the best political party to suit the needs of the country. We should not be told that one political party has 45 per cent of the support of the electorate whereas another political party has only 38 per cent as a result of its present image. Rather, the people should be able to make an educated determination of which political party is best and should be given the responsibility of running the country for the next four or five years.

I should like to conclude my remarks by putting on the record some of the things Peter Dempson, who was an associate editor of the Toronto *Telegram* prior to its demise, had to say about opinion polls:

Should public opinion polls be banned in Canada prior to a general election?

After the fiasco of the polls in the recent British election, an increasing number of Canadians now believe they should be. Indeed, many people are convinced that political sampling before, and during, an election campaign can do more harm than good.

Their main cricicism is that professional pollsters often confuse, exaggerate, influence and even deceive the public when their findings are published.

That is my opinion, Mr. Speaker. I ask hon. members to support this bill.

[*Translation*]

Mr. Ovide Laflamme (Montmorency): Mr. Speaker, I have been interested by the remarks of the hon. member for Cumberland-Colchester North (Mr. Coates) in connection with a bill to amend the Canada Elections Act passed

in this House not more than eighteen months ago. Through his bill, the hon. member is simply seeking to prohibit the publication, before election day, of the results of public opinion polls conducted by various organizations in general or at election time.

This question was rather fully looked into when we considered the Elections Act, more particularly section 105, regarding what should or should not be published. The committee had concluded that to prohibit the publication of such results or polls would serve little purpose, mainly because we are living in a world of intercommunication, and that it would be extremely difficult to prevent any association from conducting polls and publishing the results in another country, and then from sending them back to this country at election time.

In my opinion, too much is made of such polls. In his comments, the hon. member suggested that they are aimed at altering election results.

• (1740)

On that point I cannot agree with him for the main reason that I think the Canadian electorate is a lot more mature when it comes to express its political opinion by vote or to be influenced by a poll.

The example given by the hon. member; namely the effect of a poll in the province of Quebec, with regard to the Parti Québecois during the last provincial election is at least inaccurate. I think we can all recall clearly the case of a poll result that was clearly reversed by public opinion, therefore such a claim cannot be supported on the basis that the result of a poll may alter an elector's vote.

Can advance poll results influence a vote? I would think that they can perhaps to a certain degree, in view of the percentage of credibility given to them by public opinion, since the effect of those results is after all, to inform. But I have seldom seen people who could be influenced by them. On the contrary, as most hon. members, I have seen poll results being in favour of a political party which, on the basis of those results stopped working while its opponents kept up their effort and succeeded in reversing the poll results or in showing that they were false.

I spoke a while ago of what I consider in a way a serious lack of confidence in the maturity of the Canadian electorate if we want the agencies specializing in gallup polls for now on to stop publishing incomplete although very detailed results.

Such results, in my opinion, are meant to inform provided they carry some credibility. If they inform the population as a whole, they may have a beneficial influence on public opinion.

We must realize that during an election campaign, even though our communications are excellent, it can still be interesting and important, strictly from the point of view of information, to know what may be happening in other parts of the country.

But I doubt that this could really change the opinion of the elector. I think the Canada Elections Act, which the mover of this bill intends to amend, cannot go so far in forbidding the outflow of information.

To my mind, publishing the results of a poll is giving out information. A while ago, my colleague mentioned that English newspapers were full of poll results which did not take into account the real political problems. I feel that instead of blaming the organizations which publish these results, he should blame the newspapers and the reporters for their lack of maturity in not giving the electors the required information.

I seriously believe that even if we wish to ensure in some way the secrecy of the vote and to avoid any external influence on the electors, we have just the same to provide him with valid information.

Since those media are now world wide, to forbid under a legislation the publication of polls would give more weight and significance to those polls whose results would anyway appear in foreign publications and would eventually be otherwise communicated. It would be extremely difficult, due to our various media, to prevent the people from getting acquainted with them.

The only thing to do is to explain the results of the polls to the people. In my opinion, the public have already shown that they are not taken by those results, that they accept them as valid information, and the tactics of men as well as politics are such that the political party which seems to be the favourite following a public poll tries to take advantage of it. Obviously! On the other hand, the party which may believe to have been wronged, strives harder to change public opinion.

One can mention the rather striking example of the forecast based on a Gallup poll showing that 3, 4, or 5 per cent of the Canadian voters would vote, for instance, for the Social Credit party at the next general election. In my opinion, no one would be surprised by such a forecast, neither would the Canadian voters as a whole be affected by it. Actually, I think that it would be a mere indication of the general trends, whereas anyone would still be at liberty to try and change public opinion.

I may add that even though the intent may be commendable, I cannot see really how any amendment to clause 105 of the Canada Elections Act, for instance, would entail the elimination of this type of forecasts, which by the way are given far more importance than they actually deserve. In other words, if these Gallup polls are of an informative nature, then I think that the information they supply is worthwhile and should be allowed publication.

I have faith at least more than the sponsor of this bill, in the sound maturity and the discriminating judgment of the Canadian people in regard to information. I do not, therefore, consider the information provided by Gallup polls more important than it actually is.

I fail to see in these circumstances how the proposed amendment to the Canada Elections Act can be effective and, above all, how we could put a stop to this kind of Gallup polls.

In conclusion, I must say that thanks to its maturity the Canadian people are in a position to cope with the problems raised by these Gallup polls or by any abusive interpretation of their findings.

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am very pleased that the hon. member for Cumberland-Colchester North (Mr. Coates) has had the opportunity of introducing this bill. It is very timely in view of the fact that the Prime Minister (Mr. Trudeau) will likely call an election within the next couple of weeks. Whether or not we will be faced with an election very shortly depends to some extent on the result of polls now being conducted. I am very interested in this matter and have a bill on the order paper similar to the bill of the hon. member. I have no objection to the taking of polls but I object to the results being published during an election campaign.

A poll taken recently may have some bearing on whether the Prime Minister will call an election soon. It was conducted by the Gallup poll organization and showed that approximately 40 per cent of the Canadian public was unable to say how it would vote if an election were held immediately. I suppose the result of that poll scares the pants off the government, just as it would if the figure applied to the opposition. This might mean that the Canada First party with some effort would be able to pick up that 40 per cent and form a government. I suppose this means the Prime Minister has been hedging his bets for the last two or three weeks.

We all know that very little is being done in the way of legislation and very little is on the order paper to be done. We are waiting for the completion of a poll being conducted by the Liberals the results of which will, hopefully, indicate to the Prime Minister whether or not to call an election. This in itself is an indication that polls do have some influence on election procedures.

I understand the Conservatives have conducted recently at least three polls with varying successful results, depending upon how you view them. There is a portion of the Canadian public conditioned to reading ads published by soap companies, automobile companies and other entrepreneurs of the nation, many of which suggest that their product is the best. They might say that their product will get a person's teeth whiter than any other toothpaste. They say they have conducted a survey which shows that 99 per cent of the school children who were asked indicated that Crest is the best toothpaste. Another one will say that Close-up ensures the whitest teeth and also freshens your breath. Another poll will indicate that Ultra Brite, to the extent of 99 per cent, has been proven to be the most successful whitener of one's teeth. A large number of people in our nation believe that one must be on the winning side and therefore must use Listerine although it tastes very bad, because tests and surveys have proven it to be the best.

• (1750)

Mr. McCutcheon: What about Scope?

Mr. Peters: Exactly the same claims are made for Scope. This, of course, is where the problem arises. It depends upon who takes the survey and the purpose for which it is taken.

Recently I prepared a questionnaire for the people in my riding concerning a number of problems. I was very careful in that survey not to weight it politically but, rather, to weight it in the direction in which I wanted the person to think. Dealing with the unemployment situation, the results received in several instances were not those I had anticipated; but after taking a second look at them I realized that in many cases I had put something into the question which I really did not intend. It could have been misinterpreted.

One question asked whether people were paying unemployment insurance and there was a follow-up question asking whether they had ever drawn unemployment insurance benefits. I was surprised to find there were people who had paid unemployment insurance for long periods but their answers had no relationship to questions involving the operation of the unemployment insurance fund. I decided the reason for this was that the employer was also paying unemployment insurance. I did not ask that this person concern himself with answering the questionnaire and therefore I did not anticipate the result I obtained.

I believe that much of the result comes from the way in which the question is asked. In many instances the questions asked are never published with the results of the survey, so one is never really sure to what the yes or no answer pertains or what the implication is in the series of questions asked. I believe anyone who has read the results of flamboyant polls which give a great deal of credit on one side or another should seriously consider whether this is not really a form of misadvertising. I suggest it does not always work exactly in the way one would expect.

In the recent election in Ontario a number of polls indicated that the New Democratic Party was in a position to form the government. The government gave a great deal of credit to this position. It is my opinion that the poll worked in the reverse manner because obviously a number of people would have liked to take a chance on a number of New Democrats but were not willing to take a chance on the New Democratic Party forming the government of Ontario. This poll produced a violent reaction which I am sure the pollsters had not contemplated.

The point I am making is that I believe all polls are subject to interpretation. However, I believe the publishing of the results of polls has an effect on an election. It has the effect not only of conveying information but also of producing a positive result. If members do not believe there is such a positive result, then most advertisers in the same field are throwing away their money by conducting polls and publishing the results. With the long experience of some of the companies I have mentioned in this field, I do not think they would be throwing away their money in this regard.

I believe polls should be taken for the purpose of assessing how the attitudes of people are developed. I think any advertising agency which is conducting an advertising campaign, political or otherwise, should be assessing the situation and I agree entirely with the hon. member who said that the results of polls should not be published at the time of an election because they are misleading. If they are effective at all, they are effective in creating a result which has nothing to do with the orderly process upon which we embark when democratically selling the ideas of a particular candidate and a particular political party. I

hope the House will divide on this matter and will vote in favour of the motion of the hon. member.

[*Translation*]

Mr. Maurice Dupras (Labelle): Mr. Speaker, my interest in this piece of legislation grew as I listened to the speech of the hon. member for Cumberland-Colchester North (Mr. Coates) when he talked of the outcome of a provincial election in Quebec, which might have been caused precisely by the publication of the results of a poll taken a few days before the election. Well, I would not like to go over this election in Quebec, which everybody remembers and took place in April 1970.

On the other hand, I would like to be specific and make clear the causes of the defeat of the Parti Québécois which was mentioned earlier. These causes are completely foreign to the results of the poll taken during the days before the election. They have nothing to do with the figures which were reported, and, as somebody was saying very rightly, a political party which cannot overcome the results of such a poll does not deserve to be elected.

The Parti Québécois came up with several reasons to try and justify its defeat. They even claimed that news reports had made light of the inability of those people to form a government. They also said that the electoral map was badly divided in the province of Quebec, and that this favoured some parties against their own.

They also said that the Liberal party had spent ten times as much on its election campaign as had the Parti Québécois. I think that some joker summarized very briefly what happened in April 1970 when he said that the factor which caused the defeat of the Parti Québécois was the fact that too many Quebecers voted Liberal.

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

The Acting Speaker (Mr. Boulanger): Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the Chair until eight o'clock p.m.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed from Tuesday, March 28, consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, in principle I support Bill C-170. However, I cannot support the "on again, off again" manner of the government in dealing with this legislation. Many moons ago it started out as a white paper, then it became Bill C-264 on September 13 of last year. Bill C-264, the original bill, contained the implementation date of May 1 of this year. I do not see any good reason why the original bill could not have been passed last September and any weaknesses in it or any amendments to it considered at a later date. But no, the government repeatedly refused to bring the bill before us for debate. The House will remember that they allowed it to die on the order paper. Now they have finally brought it back in the form of Bill C-170.

This bill contains no suggestion as to when it might be implemented. It comes back to us as an open-ended package which this "just society" government, this "friend of the poor" government will use as and when it sees fit as part of its noticeably accelerating process of voter manipulation.

• (2010)

Sir, allowing the original Bill C-264 to die on the order paper without being brought forward for debate, despite the pleas of the opposition, represents a new low in what I would call political cowardice, and with a fair degree of conniving too. First, this government became noted for its policy of governing by white paper. We all remember the deluge of white papers that was being spewed forth. Public opinion had to be tested on everything. You would almost swear it was a minority government, because it trod so gingerly, instead of a government that had been given a mammoth mandate in 1968. It had been given a large majority and I contend it was given that majority to govern.

We on this side of the House on many occasions have criticized the government for its cowardly reluctance to use the mandate that was given to it by the people, a mandate to govern by legislation and not by white paper. Somehow, members of the government appear to have taken our advice. But now they have sunk to a new low, not only with this bill but with others such as the competition bill. The government has tended to introduce legislation and then wait for reaction from the people and from the provincial governments. If the reaction is not completely favourable, the government in effect withdraws the legislation, as in the case of the original bill, by allowing it to die on the order paper. It is what is known as chickening-out.

What this country needs is a government with ability and courage. I think this government is lacking in the former and is almost completely devoid of the latter. There comes a point when any self-respecting government, out of common decency alone must realize that it can go only so far in using the people's own money in an attempt to manipulate their political support. I contend that there comes a point when this process becomes obscene, and I think that point has been reached in this particular case.

I wish to make a few specific remarks on a few points in the bill that strike me as making little sense. I have only to take my own riding of Grand Falls-White Bay-Labrador to indicate what I mean. There is a stipulated figure at which a family is cut off from receiving any family allowance under the new proposal. Let us take the case of a family in the city of Montreal that has an income of $8,000 a year. For argument's sake, let us say that in that family there are six children, three below the age of 12 and three above the age of 12 but under 17. According to this bill, that family will receive a total family allowance cheque of $85 a month.

Let us take the case of a similar family in Labrador City, Wabush or Goose Bay in my riding. The family has six children, three below the age of 12 and three above the age of 12 but under 17. Let us say that family has an income of $10,000 a year. Compared with the family in Montreal which will receive $85 a month, the family in Labrador City will receive a family allowance cheque of $45 a month. There is a difference in the salaries of the two families, $8,000 in Montreal and $10,000 in Labrador City, but an agency of the government, the Dominion Bureau of Statistics, on the basis of its studies agrees that $8,000 in Montreal is equal to the $10,000 income in Labrador City. Yet under the proposed new family allowance scheme the government will pay some $500 less per year to the family in Labrador City.

I contend that the DBS only skimmed the surface in dealing with the differential in the cost of living as between Labrador City and Montreal. In addition to everything else, winters in Labrador City are longer and as a result fuel costs are higher. It costs more to clothe and feed children in Labrador City. I repeat that the government's own agency agrees that $8,000 in Montreal is equal to $10,000 in Labrador City, yet the government says it will pay the family in Labrador City $500 a year less in family allowances than it will pay to the family in Montreal. Surely justice and common sense would dictate that this differential, when it is recognized by an agency of the government, ought to be recognized in the implementation of this bill.

There is another point that should be made. While I agree with the basic theory of the bill, in my opinion the scheme should be based on the income of the principal wage earner of the family. However imperfect the tax reform legislation which we passed, it contains measures to compensate working wives for day-care costs in respect of their children. The new Unemployment Insurance Act provides for maternity benefits to be paid to pregnant women while they are away from work to have their children. In contrast to this positive step, the family income security plan takes a negative step and actually penalizes working wives through its cut-off level which is based on gross family income rather than the income of the principal wage earner.

• (2020)

If a wife goes out to work to supplement the meagre salary of her husband, under the new proposal it is likely that the addition of her income will push the total family income above the cut-off level and she will therefore forfeit part or all of the family allowance. For a middle-class wife this may not be too important, but for families struggling to get out of poverty even the loss of the family allowance cheque will hurt. The family income security plan is a disincentive for working mothers who know that they will lose part or all of their allowance as a result of their initiative.

Some hon. Members: Hear, hear!

Mr. Peddle: Cut-off levels should be based not on income after deductions but, rather, on gross income. In this way personal income tax exemptions and child-care deductions would have full power for working mothers. Cut-off levels could then be scaled to ensure that the less advantaged families benefit most from the family allowance. Speaking of cut-off levels, Mr. Speaker, you do not have to be an expert to observe the inconsistency of many government departments in their assessment of when families need government support. The Minister of National Health and Welfare (Mr. Munro) took into account the fact that it costs more to raise a child when he reaches the age of 12. I appreciate the wisdom of that. However, in the new Income Tax Act the former minister of finance did not recognize the fact that children are more expensive to raise, until they reach the age of 16.

There is here a breakdown in logic and communication. According to Bill C-170, the Minister of National Health and Welfare believes that a family with one child and a gross income of $4,500 a year or less should receive maximum assistance from his department, while the Department of Finance continues to impose a substantial tax on the same person. I think this points out the serious inconsistency of the government's views.

Mr. Alexander: Lack of communication.

Mr. Peddle: As I said at the outset, basically I agree with the proposal in Bill C-170, but I am going to make a very serious suggestion and I am pleased that the minister is in the House. I have had some unkind things to say about what I believe was the motivation for delaying this bill, but perhaps I have been too harsh. Perhaps I have been wrong.

An hon. Member: No, no.

Mr. Peddle: I will be the first to admit it if I am wrong. However, I suggest to the minister and to the government that they prove to the people of Canada that they have acted in good faith. Bill C-264 was read the first time on September 13, 1971, and the government promised that the new legislation would come into effect on May 1, 1972, just a few days from now. Let the government prove their good faith by making these payments due to the people who qualify under this program retroactive to May 1, 1972, no matter how long it will take to pass the legislation. I make that suggestion very seriously, Mr. Speaker. I know there will be objections to it. Government members will say, "What about the people who do not benefit? Will they be asked to pay it back?" But that is the government's problem and they have to live with it.

As in so many other cases, this government has raised the hopes of a large number of Canadian people. The minister said that some two million families would benefit and he promised that this legislation would be in effect on

May 1 this year. I am calling upon the government now to make that promise good, no matter how long it takes to get the bill through the remainder of the legislative process, and to make the payments retroactive to May 1, 1972.

I think the government has vacillated on this program. It started out in May, 1970, with a white paper which was not acceptable: it came back on September 13, 1971, in the form of Bill C-264. Despite the pleas of the opposition, even in that extraordinary session of parliament I believe I am correct in saying that our party pleaded that the House stay and deal with it, but the government obviously did not want it passed. I do not now want to hear any suggestion that the government does not go along with this reasonable proposal that they should prove their good faith, nor do I want to hear any suggestion that the original bill was held up because of obstruction by the opposition. Such is not the fact. I maintain that the government had ulterior motives for holding back this legislation, and I call upon them to prove their good faith and make me a liar by implementing this bill as fast as possible and by making the payments to those who would benefit effective May 1 this year.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise to speak on this all-important piece of legislation because of its historical basis in the Canadian social system. We in Canada have seen great progress made in the development of our system of social security, a system which is a basic right of Canadians. One need only recall the nineteenth century and its barbaric lack of laws for protecting the ordinary citizen, and compare that century with our society today, to recognize some of the fundamental changes that have been made. These changes did not come easily; some of them were fought hard for. The history of the development of our social security system goes back to 1926 when the Liberal government of the day was forced to introduce old age pensions across the board, mainly because of the pressure of a small minority in this House which forced the government to bring in such legislation.

• (2030)

Mr. Benjamin: They did it to save their necks.

Mr. Knight: At the time there was talk of governments not being able to afford this type of program. I did not hear this, of course, but the debates are recorded. It was argued that this would be too great an expense, that people had no right to such pensions, and so on. Now, Mr. Speaker, the old age pension is paid and it has been increased, although by minimal amounts.

In the developments that have led up to the family income security plan there have been other developments which have recognized the social rights of Canadians as members of productive units. These developments have helped in the productivity of the work force of the Canadian nation. After the Second World War, family allowances were paid to all Canadians with families, regardless of religion, race, creed or colour. The family allowance was paid as of right, as a commitment of the community to the youth of the nation. It was paid because we were committed to the idea of developing a society in which people could live with dignity and justice. The family allowance cheque was particularly significant in my family. I recall how important that cheque was for my mother. It helped her to take care of her children, to provide them with basic necessities as well as provide a little spending money.

Mr. Speaker, it may be said that the family allowance program was a move that enabled women to reach a certain plateau of equal rights in our society. The allowance enabled them to exercise responsibility in financial matters connected with the family. In the neighbourhood in which I grew up, I recall that family allowances meant a great deal to mothers no matter what was the basic income of the family. The cheque was important because it helped in the raising of children and maintaining the well-being of the family structure, because by using that allowance month after month the family taught the child the responsibility of handling money and spending it. I think that was important, Mr. Speaker. Perhaps members of cabinet who deal with major issues may not be very impressed with this argument and may not think it too important, yet it is important in our society because the allowance represents a protection, a social right enjoyed by all Canadian families.

The government has introduced its family income security plan. The name of the program sounds impressive. In the last few years I have learned that whatever legislation this government introduces, the name of the legislation is always impressive. It may be a grain income stabilization bill, an income supplement program for old age pensioners or, as now, the family income security plan. This legislation is based on the principle of selectivity, on the principle of reintroducing the means test as a means of checking on family income. It is not based on any concept of social right in our society. It is based on dividing our society into those who have and those who have not. It is based on an assumption that I call piecemeal Robin Hood-ism on the part of the Liberal government.

Piecemeal Robin Hood-ism may be defined as an attempt to take from the rich to give to the poor. It is like the wife of Louis XVI telling the people to eat cake. It has nothing to do with the productivity of our society and everyone's right to share in it. It is not based on any concept of social right. It is merely a piecemeal program under which the government, following the advice of its bureaucrats and technocrats, is out to sabotage the social security system of the Dominion of Canada. Of course, in the long run, this program will be dropped. This is the first step in that direction. In the meantime, the government wants to cushion the effect of removing the family allowance altogether and a selected group within our society is to remain sheltered.

It is important to consider what the government is doing by adhering to the principle of selectivity. In the neighbourhood in which I grew up, all families were paid the family allowance regardless of family income. The family that lived down the street got the allowance, just as did our family, and our positions were comparable. Under this proposal, the family down the street might get a cheque but my family might not. Clearly, this scheme will create stigmas within our society. It will become a method

by which the local grocery store will note your low income by the size of your cheque.

Therefore, Mr. Speaker, we are concerned not only with the means test, for the size of your family allowance cheque will tell everyone that you belong to a low income family. I might say that I am used to that. The amount of the cheque sent to your house will be directly related to the size of your income. It will let people know how much you earn and in that way will be as demeaning as the welfare cheque. Because it adheres to the principle of selectivity, the government will, in neighbourhoods like the one in which I grew up, create among those who receive family allowance cheques the sort of stigma that is attached to any welfare scheme.

Mr. Alexander: The hon. member is talking about discrimination and how terrible it is. Is he for it or against it?

Mr. Knight: I hear the comments of the Tory member. His party claims to represent the small people. I remember what members of that party said in the income tax debate. No doubt we will hear from them in this debate. I remember the speeches Tory members have made on the labour code legislation. We shall see what that party does with the legislation before us.

Mr. Alexander: The hon. member should return to his written text and not ad lib.

Mr. Knight: Perhaps we shall also hear from the hon. member later. Mr. Speaker, one cannot overemphasize the basic importance of universality. The principle cannot be ignored. I should like, for a moment, to go beyond the principles involved in this legislation and talk about the principles of the plan itself, for one can see why this government disagrees with the party I represent on matters of principle.

Mr. Alexander: What principle?

Mr. Knight: There are so many differences of principle between us that I could spend the rest of the evening discussing them with the hon. member. I think the details of the plan are well worth examining. If you look at the details, you will find an even more incredible suggestion than the selectivity principle contained in the plan. A payment of $15 a month will be made for a child up to 11 years of age and $20 a month for a child between the age of 12 and 17. An income floor of $4,500 for a family with one child is stipulated. After that, $500 a year is allowed for each additional child in the family. Families with incomes above floor level will receive smaller amounts. With each $100 of income, the benefit decreases by 33 cents.

• (2040)

Let us consider what may well take place. A family with one child under 12 years of age, with a family income of up to $4,500, will receive $20. A family with an income of $6,000 will receive $15.05; $7,000, $11.75; $8,000, $8.45; $9,000, $5.15; and $10,000, $1.85, but it is not payable.

Mr. Alexander: That is the Liberal just society.

[Mr. Knight.]

Mr. Knight: I quite agree with the hon. member for Hamilton West (Mr. Alexander). The figures I have quoted are the benefits received by a family with one child between the 12 and 17 years of age. I earlier stated that it was for a child under 12 years of age.

A family with two children under 12 years of age, with an income of $5,000, will receive a payment of $30; $6,000, $23.40; $7,000, $16.80; $8,000, $10.20; and $9,000, $3.60. A family with five children under 12 years of age, with an income of up to $6,500, will receive $75; $7,000, $66.75; $8,000, $50.25; $9,000, $33.75; $10,000, $17.25; and $11,000, 75 cents. Even that kind of framework will develop a number of weaknesses in the plan. It will take a Philadelphia lawyer, assisted by a number of lawyers such as the minister in charge of the Wheat Board to figure this out and explain it to the people of Assiniboia and the rest of Canada. I warn members of parliament and those who run for office here that they will have to work 24 hours a day for three, six or eight weeks to try and figure out this kind of program for people in their constituencies. I can see all kinds of problems arising strictly on the basis of the detail of the plan and the selectivity principle involved.

I wish to deal with a number of weaknesses in this plan such as applications and the responsibility of the people of Canada. If a person wants to be a beneficiary under this program he must apply, complete all the reports, do the filing, inform the government of changes of income year by year, give the age of the children and inform the government each time the size of the family changes. They must file in order to receive the benefit in the first place, and inform the government of any change of income in the family. For example, if the wife goes to work, this increases the income. If a man loses his job, it reduces the income. If there are two children, which is the size of the average family in Canada, each time their ages change the government must be informed.

What is the government's reasoning behind this? Do they want to get to the point of totally discrediting any kind of social security plan in Canada? Of families receiving partial benefits, 42 per cent will receive less than at present. The question of selectivity permeates this entire plan. It causes untold problems and burdens for the Canadian people. I want to cite three examples of what could happen under this plan as it now stands. A family with one child, living in Toronto or Vancouver with an income of $5,001, will no longer receive the baby bonus. According to the government, this family is rich. A family with two children under the age of ten years, living in Toronto with an income of $9,000, will receive $3.60 per month rather than the present $12 per month. If their income increases by $1, they will be cut off. Talk about the just society, Mr. Speaker! Let me give a third example. A family living in Toronto, with five children under 12 years of age, will receive 75 cents a month if their income is $11,000. If their income is higher, they will not receive anything. An incredible mess is created by this kind of program based on selectivity.

There are other matters that ought to be looked into. I am pleased to see that the rates announced by the minister can be changed. Let us look at those rates in terms of their face value. Based on the Canada standard health

rules, the minimum expenses per child under 12 years of age, per month, are as follows: food, skim milk, 24 ounces per day, $20.50; protein, four ounces, hamburger and either two eggs or two ounces of cheese, $8.40; vegetables, carrots and waxed beans, $5; bread and margarine, whole wheat, four slices daily, $3; orange and other vitamin C juices, $3; soap and toothpaste, $1. This totals $27.90. Shelter, on the average, $15; clothing, $7.75; dentist, minimum care, $2.50. That causes one to chuckle. The monthly total is $53.16. These are outlined in the Canada standard health rules as minimum expenses per child under 12 years of age.

• (2050)

The government has introduced a selective program that both initially and in the long run will hurt those in the middle income bracket, people earning between $5,000 and $9,000 per year. Therefore, let us look at what the position will be when this piece of legislation is implemented. Let us look at some of the administrative jungle out of which the Canadian people will have to crawl or even shoot their way.

This legislation may very well have been introduced in an attempt to tackle Canada's unemployment problem. With unemployment running at around 6 per cent of the labour force, the government has decided to double the number of people employed in administering the program compared with the number who administer the present family allowance program. Where the government now employs some 730 people, under this program, according to an answer placed in *Hansard* on December 27, 1971, the number employed will rise to 1,477. I am willing to predict today that even if this program is implemented by next fall many, many more people will be required to figure out some of the problems created as a result of the selective nature of the program.

The cost to the department of this program alone will be about $13.7 million. This does not include court costs, the cost of the tax appeal board and other government agencies. These costs will mount because the government will ever be searching for those who do not properly fill in their applications for income security. There is one interesting sidelight to this, and it is that in order to get the plan before the public the government will have to undertake a massive advertising campaign from one end of the country to the other. Who will benefit from that? One has only to think of those who show up at Liberal party dinners in Toronto to suspect who will benefit.

Mr. Benjamin: Simpsons and Eatons.

Mr. Knight: Yes, but I do not think they will handle the advertising. That will be a job for Maclaren and Foster. If the government wants competely to botch up the program, they will turn over the advertising campaign to Information Canada. The only good that will come out of this selective program will be the benefits received by friends of the government, friends who are becoming fewer by the day.

There are seven distinct sets of circumstances in which applications under the plan must be filled out. First of all, one has to make an application. Then you must reapply if your income goes either up or down, if the number of your children changes, if there is a change in the age of the children, and so on. This is going to keep people employed continually in the department and I would suggest such complexity will not meet the needs of the Canadian people as a whole.

With this plan, the government is creating an immense bureaucratic and administrative jungle. Those of us who spent the Christmas recess in our ridings know that many people came to our doors to see us about the difficulties they have experienced under the Unemployment Insurance Act, with all the different matters within the act, all the exceptions to the rule, all the difficulties with the cards that the computer would not accept or would not send out. All winter we have handled case after case dealing with claims for unemployment insurance because the government has listened to technocrats and bureaucrats and decided that it had a nice little plan which it could apply selectively and with which the new computer would be able to deal.

As it turned out, Mr. Speaker, the computer was not able to deal with the plan and as a result claimants went for months without payment. Next fall I suspect we will see the same kind of process going on, except that every family in Canada will in one way or another become involved with the problems of this plan.

I should like to put some other matters on the record in relation to administrative difficulties connected with this bill. All applications for family allowance must be checked to determine the eligibility of the applicant. In the case of eligible applicants, benefit payments must be calculated on the family income and age of the children. In the case of non-eligible applicants, appeals and explanations must be handled. Statements disclosing a substantial increase or decrease in income must be processed, with appropriate adjustments made to benefits. Divorces, separations and marriages must be reported if family income is affected, and benefits must be adjusted. Adjustments must be made to benefits where estimated income differs significantly from actual income. Administrative machinery must be set up to recover benefits paid out to ineligible persons. Administrative machinery must be set up to detect frauds, including misrepresentation of income, misrepresentation of the number of children, misrepresentation of the age of children, failure to report income increases, failure to report deaths, marriages, and so on. Administrative machinery for liaison with the provinces will have to be established.

All this means an incredible jungle. I am sure that if the hon. member for Essex (Mr. Whelan) viewed this plan with a great deal of seriousness he would join the opposition's stand on this bill and repeat what he said about co-ops and credit unions. Then if this bill still went through, he would resign. I appeal to the commonsense of government members. I appeal to their reason; therefore, I may well fail in my appeal. But I want to tell the House that in view of the selective basis of this bill it will go down as a regressive step that has been taken in an important social welfare program in Canada.

• (2100)

Let me deal with the whole question of income as it is referred to in the bill. I wish to ask a number of questions

which I hope the minister will answer. While travelling in my riding during the Easter recess a number of people drew my attention to their difficulties and concern about whether this plan is based on gross income. They were concerned about how it will affect the family farm. If we look at page 6 of Bill C-170, we find that the benefit will be $20 minus 33 cents for each full $100 of income by which the income of the child's family for the base calendar year exceeds $4,500 when the child is the only child in the family, or the aggregate of $4,500 and the amount obtained by multiplying the number of children in that family in excess of one by $500 when that child is not the only child in the family.

In each place reference is made to income without any description as to whether it is taxable, net or gross income. This is an important matter which ought to be explained very clearly during all stages of this bill, because it makes a great deal of difference to every farmer and small businessman in Canada in terms of income definition. Let me refer to page 2 of the bill, clause 2(2)(a) which states that the income of a person for a calendar year is his income for that year computed in accordance with the provisions of the Income Tax Act applicable thereto. The clause goes on to provide that this is minus the amount of any death benefit paid to the taxpayer in that year under the Canada Pension Plan or any provincial pension plan as defined in the act. That part of the bill again refers to the Income Tax Act. I quote that paragraph of clause 2 as follows:

> (a) the income of a person for a calendar year is his income for that year computed in accordance with the provisions of the *Income Tax Act* applicable thereto, minus the amount of any death benefit paid to him in that year under the *Canada Pension Plan* or a provincial pension plan as defined in that Act—

There is reference to the so-called income tax bill, that piece of reform passed last year which will long be remembered for its non-reform. Let us look at this matter in terms of the definition of income. On page 2 in division B, under computation of income we find that the income of a taxpayer for a taxation year for the purpose of this bill is his income for the year determined by the following rules, and then it goes on to provide that you must determine the aggregate of amounts each of which is the taxpayer's income for the year, other than a taxable capital gain from the disposition of a property, from a source inside or outside Canada, including, without restricting the generality of the foregoing, his income for the year from each office, employment, business and property.

If we turn to page 26 of that reform bill we find the following provision in paragraph (g):

> any amount received by the taxpayer in the year that was dependent upon the use of or production from property whether or not that amount was an instalment of the sale price of the property (except that an instalment of the sale price of agricultural land is not included by virtue of this paragraph)—

That is a further reference to definition of income. I see that the Minister of National Revenue (Mr. Gray) is in the House. Perhaps he will take the opportunity to explain to the House in some detail the effect of the family income security plan in terms of whether it is based on over-all, net or gross income or taxable income.

We are faced with another difficulty because of the selectivity of this program and its over-all commitment to dividing Canadians into haves and have-nots. There are other aspects of this plan which make it obvious that someone in the government is not up to par. When I look at the plan and realize it is based on income, knowing that the income of people changes from year to year, I begin to wonder whether the government took a member of the task force on agriculture and put him with the group which drafted this income security plan. We have here the creation of selectivity in respect of a group of people, particularly the farmers in the west whose incomes are based on international markets over which they have no control, a transportation system over which they have little or no control, and prices over which they have no control.

The government is now telling these people that under the income security plan they must adjust their incomes for each year that it changes. A farmer's income can change from one year to the next by thousands of dollars, as can the income of a fisherman or a small businessman. I am not sure that this applies to the legal profession.

Mr. Gilbert: Take it from me, it can.

Mr. Knight: My colleague suggests that it can. What I am trying to get at is that there is great complexity in this legislation as a result of a simple matter of selectivity. The government sits idly back and will go to the people during the next federal election and tell them what it is doing for the poor. I suggest all the government is doing is erecting flagpoles in front of their homes and flying flags.

There is one thing about Liberalism in respect of legislation, and anyone who studies history will know this. It is that Liberalism is based on the philosophy of changing things a little bit here when it is too late, and a little bit there when it is too late. Liberals bring in certain kinds of social reform but they never get to the heart of the matter. They never tackle the problems of the minorities in our society and they never tackle the corporate industries in terms of proper taxation. They continue to protect the economic system from any kind of change that might benefit the Canadian people.

This program is intended to be based on a guaranteed income. It should be based on a net income for every citizen, rather than on a type of selectivity which lumps people in the position of haves and have-nots in comparison with that group in our society which has a great deal.

• (2110)

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I am happy to say a few words on Bill C-170. First of all, I must say that I am completely in favour of an increase of family allowances, as I have been for a long time. In fact, I have always wondered, each year, why successive governments did not increase the amount of those allowances or ever ventured to bring them into line with the cost of living.

We have seen all other pensions periodically increaded while governments never stopped to try to adjust these allowances, leaving them still at the same rate.

Today, an increase is being proposed. First we are told that they will be increased to $15 for children under 12 and to $20 for children aged 16 and 17. Upon reading the

bill, it is clear that we are losing the very essence of these allowances, their universality. We will again be having selective allowances, to which I am opposed. It is enough that old age pensions be awarded on that basis, which is more costly than granting a $55 pension to all old people.

I believe that if we make the same mistake for family allowances there will be no end to payment of investigators throughout Canada. I suggest that it will cost the government more to finance all this bureaucracy, investigating about each child, in each family, each month about the parents salaries in order to check whether a child is getting the proper amount.

I wonder whether that is not one of the government's devices for creating employment. That is also what I figured when the guaranteed income for old people was brought forward. Everyone is taxed to give all old people $50, but it is evident that only about 40 per cent of the elderly get $55. However, it costs more in salaries to withhold this supplementary income from some 50 percent of the elderly. It would save the government money just to pay out the pension to all old people, even those who do not need it. At the end of the year they would just return it by way of taxes.

We shall have the same situation for family allowances. As in the case of old people, there will be discrimination applied to children.

That selective system which takes away from some people to give to others reminds me of a nursery of 50 children where milk would be taken from the bottle of the fatter baby and given to the leaner one. The measure is as ridiculous as that!

The child, if considered as a human being, is entitled, as a member of society, to social justice. If I want to be fair to ten children, I will not see them as coming from poor or rich families, but as human beings. And if the state wants to exercise justice and grant them an equitable social allowance, it should give to each of them the same amount.

Being rich or poor is the father's problem and not that of the child. As concerns social justice, it applies to the child. If some father is richer, let us forget about it because at the end of the year, the state will catch up with him through his income tax return. Let's not worry. First of all, let us be fair to the child, let us consider him as a full-fledged human being entitled to receive justice personally.

Mr. Speaker, I believe that if the universality factor of family allowances is abolished, this will destroy an undertaking that started several years ago. Since its inception, the present system has applied across the board. Without any consideration being given to the family income, the children under 10 receive $6 per month, and those 10 and over up to 16 receive $8 per month.

In the province of Quebec, the provincial government pays an additional $10 a month for children from 16 to 17 years of age inclusively who attend school. The province gets this amount back from the federal government. Again in the province of Quebec, the government also pays, in bi-yearly payments, the following amounts per year: for the first child, $30; for the second, $35; for the third, $40; for the fifth, $50; and for the sixth, $70. You have to add to those amounts $10 a year for each child from 10 to 16 years of age.

Mr. Speaker, it can be said of family allowances paid in the province of Quebec at present that they are universal, since they are paid for all children, whereas the new legislation provides for a selective method.

I think that many problems will arise in the calculation of allowances to be paid for those children. Moreover, the great number of bureaucrats needed may cost more than would the payment of $15 for each and every child. Besides, we will have to make sure that some family heads pay this amount back to the treasury, as is done at present. At the present time, family allowances are universal, and at the end of the year we pay back in income tax any overpayment received, but at least the child has the comfort of being able to say: I get my allowance. Once again this is the problem of the family head.

In this legislation, as is stipulated in subparagraphs (*a*), (*b*), and (*c*) of clause 6(1), there is a ceiling on family income, and whenever the family income exceeds this ceiling, allowances paid in respect of children are reduced, or sometimes abolished, depending on circumstances. According to the bill under consideration, the amounts of benefits ranging from $15 to $20 will be reduced to 33 cents per each $100 of income. As I said a while ago, it is interesting to examine a table of income to determine what a child will receive in relation to his parents' wages.

• (2120)

I have done some quick figuring in this connection. For example, if a family with one child earns $6,000, from that income will be deducted the maximum income of the mother and father which will make a difference of $1,500, that is a reduced benefit of $4.95. The child will therefore draw an allowance of $15 less $4.95, that is $10.05. If the parents have two children, the maximum amount is $4,500 plus $500, that is $5,000. The total amount of $6,000 less $5,000 gives $1,000 or 10 times a reduction of 33 cents that is $3.30. The child will therefore get $11.70.

In a family with four children, still drawing a $6,000 income, the child will get—I did not figure it out, but in any event it is easy to do so.

Mr. La Salle: It is hard to figure out!

Mr. Gauthier: It may be and it will be even more complicated in a little while.

In the case of a couple who earn $8,000, Mr. Speaker, and have one child the ceiling is $4,500; the allowance is $11.55. When there are two children, if the total salary is $10,000, the ceiling is $5,500 and the benefit is reduced by $18.15. We then realize what the situation is; then the act tells us that when the payment is less than $5, the child gets nothing, not even 15 cents per month.

This of course will be based on the revised salary of the father and mother, the salary made in the last year. If on the other hand the father's salary increases or decreases during the years, of course new inquiries and new calculations will be required to find out what each child will get. In Quebec, there are even families with ten children.

Imagine the calculations and the bureaucracy that will be required solely to control selective family allowances. One would think that the government is looking for Chinese puzzles. I really don't know whether the government is trying to create jobs or increase their number but by multiplying them it is also multiplying the headaches for everyone. It is also multiplying administrative costs, and the injustices towards every Canadian citizen. Without fail, all those inquiries will lead to injustices as is the case year in and year out with the old people.

If only we could have impartial and infallible inspectors. But that is impossible. They are human. We always tend to protect those we love more or punish a little those we love less, and then the tug of war starts. There lies the work of the member of a riding. If only selectivity did not exist, the member would have 50 per cent fewer problems or cases to solve. We should try to connect this with the inspector who has not done his duty, or has not done it properly, or perhaps has done it too well in some instances.

This whole issue stems here again, from those selective allowances that are provided for in this bill. When it was before the committee, I had a chance to read the briefs that were submitted, and I kept thinking: this government will certainly be under pressure and will agree with the recommendations contained in these briefs to the effect that in 80 per cent of cases, people feel that the government should make the allowances universal. That is why I am surprised, after having read so many briefs opposing this bill, that this government has stuck to its guns.

We are then going to keep on with our speeches for perhaps a day or two, but we will necessarily have to vote, and I am sure that this will not change anything in the bill. This bill was drafted by departmental officials who, I fear, do not know how to erase once in a while. They will not change anything in the bill. They stick to selectivity, and this we cannot accept. To give another idea of the protests, I can say that I have received 50 more letters. I wish to quote a few newspaper articles. The minister has probably read what they have to say about this selectivity. I quote:

> Strong opposition to the exclusion of 40 per cent of families from family allowances.
>
> Taking for granted that the child is a contribution to society much more than to the family, Les Organismes Familiaux Associés du Québec objected, in a statement of position published yesterday, to the elimination of 40 per cent of families from the family allowance plans as proposed respectively by the governments of Quebec and Ottawa.
>
> Through this statement, this group which represents tens of thousands of families in the province places so to speak the debate on this question in its true perspective, namely, the responsibility of the state to assume with the parents the financial burden of bringing up children tomorrow's adults.
>
> We must keep in mind that in Quebec two families out of five will be cut off next May 1st from the family allowances because of the selective approach adopted by both government levels; eligibility will be based on family income and on the number of children.
>
> Now, the family organizations do feel that this cutting off will mean "losing a right gained 25 years ago."

Those remarks were published in the newspaper *Le Soleil* on January 6, 1972. May I quote from another source which is not the least important one: the farmers' wives of the Saguenay-Lac-Saint-Jean area who met to protest against this bill, against the selective feature of this bill. They are not against the principle of the bill, for they approve of the increase, but they also advocate the universality of the allowances. This is the reason why the AFEAS, formerly known as the farmers' wives groups, will hold their convention in Jonquières on May 16. There was a preliminary meeting and I would like to quote from the report of that meeting. Here it is:

> During the past three months, the women of the Urban Committee of the AFEAS have asked the advice of many members in order to learn their views on the family allowances system.
>
> Most of the women questioned have stated that they did not approve the programs as introduced by the provincial and federal governments. They said that the allowance was withdrawn at a time where a child needed it most that is when he was undertaking higher studies. The women also suggested that an allowance should be granted from five years of age and raised according to the age of the child and the cost of living, because they said that their financial problems increased when the young people were entering high school.

The following was stated about a report on universality:

> A report submitted by the responsible members of the Urban Committee points out that the women questioned were in favour of an universal and taxable allowance on the entire family income. This formula, according to the report, would be the fairest way of giving to those who have little money and to take from those who have too much.
>
> The report adds that selectivity as applied to family allowances is a step more reminiscent of social welfare than of children's aid.
>
> The women consulted also opposed the way the government intended to increase the allowances after the fourth child if those 18 or over are excluded. When they reach that age, allowances will no longer be paid for them, although more money is needed for them for clothing, food, school fees and recreation costs, the report goes on to say.

On the subject of the responsibility incumbent on governments, it adds:

> Our governments have some responsibility toward the family. Parents do not bring up children for their own sake but for that of society. The betterment of family life should prevail over political advantage. So, those women believed that the above-mentioned legislation promoted a higher birth-rate among the people not so well off and a sharper fall in the birth-rate among those in the middle income bracket.
>
> Moreover, those women are asking that a survey be conducted among students aged 18 years or more on their financial assistance. The report suggests that this is inconsistent with the tax allowance for dependents. Those women also point out that governments will have to take income into account in connection with the poverty line.

Mr. Speaker, I wanted the House to be aware of this evidence. Surely the committee has heard quite a few of these representations but we can see that they have changed nothing. We still stand where we stood the day the bill was introduced and I am convinced that this situation will continue. We are going to debate and vote and nobody will dare criticize the government and force it to re-introduce the old family allowances formula and universality even though 80 per cent of the population is asking for it.

Once more, I wonder why the government is repeatedly bringing forward this selectivity concept which nobody wants. This is why I again urge the House to think it over before passing this legislation. As for those still in a position to influence the government, let them speak reason to it and let it be known that universality of family allowances is requested by most of our citizens.

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like, in turn, to make some comments on this bill which is definitely deemed to be one of the most important pieces of legislation this Parliament should pass in the near future.

Of course, Bill C-170, providing for an increase of family allowances is accepted in principle by all members of this House and I think that the Canadian people look favourably upon the increase of these allowances.

Surely, it is not sufficient to merely criticize the government for the provisions of this bill. I think it is important to note that the tabling of this legislation has required a considerable period of time while we are well aware that thousands of households have long been awaiting an increase compatible with the cost of bringing up a child.

There is a so-called selectivity principle, but others favour universality. I think that there is a difference of opinion in this respect. It is my understanding that by tabling this legislation, the government has sought to increase the benefits for those who need them most and naturally to reduce those received by household heads who can easily provide for the upkeep of their children.

• (2140)

I listened to several speeches, and I have to respect the opinion of each and everyone. Personally, however, I would be tempted to favour selectivity, unlike others who maintain that the same allowance should be paid all over the country, and for every child.

I think it is a mistake to give too much importance to the payment being made to the child. In all fairness, we should, according to some members, give every child the same allowance. Certainly as far as this goes, this is valid reasoning, but we know very well that in practice it is not really the child who spends the money. The child certainly has a part in his parents' expenses, but we know very well that family allowances are in fact spent or administered by the family head.

I feel that under a selective plan, a low-income family will be able to receive an appreciable, if not sufficient, increase. From there, I think there was an attempt—and this is the way in which I understand this legislation—to narrow the gap between the big man and the little man, as they are commonly called.

For instance, a few years ago, we granted a national across the board salary increase of 6 per cent. On this basis, people said that in a just society you had to grant a 6 per cent increase to all, which, in my opinion, was extremely unfair, since the man who made $3,000 could only receive a $180 increase, while the man who made $20,000 got a $1,000 increase. I think that this widened the gap between the big man and the little man even further.

Now the proposed selective scheme leads me to think that we are heading for a readjustment in favour of the really under-privileged family, at least the family that needs it most.

I surely deplore the fact that a number of families will have to do without family allowances.

When members of a "cercle de fermières", for instance—a group of people who are not considered as high-salaried people—are against a selective program, I am surprised, because the farmers, considering their income, will surely not be at a disadvantage on account of a bill like this one. I rather believe that from $10,000 up, a number of families will have to do without their allowances.

We also know that two families out of five, in the province of Quebec, will lose their family allowances. However, we know full well that three out of five families need it that much more. To my mind, it is really a matter of redistribution amongst the most needy and I sincerely think that we are steadily progressing towards a just society by creating a more acceptable social climate.

I am tempted to support this bill because I believe in selectivity. We should have redistributed those allowances amongst the neediest a long time ago.

I am sorry that 40 per cent of all Canadian families will have to do without family allowances. On the other hand, I feel that the other 60 per cent will derive greater benefit, and they are the ones who need it most.

I am quite convinced that selectivity is better than universality. I think it is appropriate and I for one want to support it.

We know that the administrative costs of such a program will increase. To say that the complexity of these formulas would incite us to refrain from any action is a negative attitude. I realize that this will not be easy, that it will be complicated, but despite the complications we had with the new unemployment insurance benefits, I know also that Canadians were generally in favour of increasing these benefits.

I hope that the experience we had with unemployment insurance will benefit Parliament and that the government will be prepared to apply this formula. And I also think that such an experience will prompt it to make further preparation.

The minister has quoted a while ago figures about the administration costs, which are quite different from those given tonight, suggesting that the increased family allowance would be less than the additional administration costs.

I think the hon. members should not listen to such arguments. But then again, between doing nothing and doing something, even if it entails some difficulties, there is a difference. I know that any new formula raises problems, but I wanted to be positive. I recognize that there are difficulties and I urge the government to eliminate them as soon as possible.

It is understandable that the administration costs will be higher than they are now, due to an important change. But we must also consider the advantages and recognize them.

Nevertheless, I would remind the minister involved to review calculations. I admit that they are highly controversial. For those whose income is under $10,000 a year, taking into account a certain number of children, I believe it would be equitable to review the calculations. In fact, it must be recognized that for an average-size family, an income of $10,000 cannot be considered as excessive. I also feel that, taking the cost of living into consideration, those who have an income of $15,000 can more readily stand this deduction.

However, while remaining very positive, I should like to ask the minister responsible to review calculations. I hope that when we reach the committee stage recommendations will be submitted. I believe agencies will appear to make representations to the minister. I dare hope he will consider reviewing his figures and making the adjustments called for. This bill certainly warrants further amendment.

I suggest that the selectivity principle is quite justifiable and acceptable, and since it will be possible to make representations in committee and it is hoped that the government will reconsider some calculations, I think that the legislation before us has a great deal of merit. I hope that it will be implemented for the benefit of low-income families. We recognize that it is urgent to help them.

Before concluding my remarks, I should like to ask the minister to give substantial assistance to 18-year-olds to enable them to complete their studies. We know that from age 18, children have greater needs, as a high percentage of them are heading for universities or other institutions of higher learning. Should we not think seriously about a scheme to help them until completion of their studies?

We have recognized that at 18, a child attains his majority, but we also know that in fact, he remains a student until he is 22, 23, 24 and sometimes 25.

In fact, I wonder whether the government should not help him financially so that he could further his studies, even under a selective plan.

This would certainly contribute to the establishment of a social climate more appropriate and more encouraging for the children, thereby easing the burden of fathers who have much difficulty making ends meet.

Mr. Speaker, I shall be satisfied with these few remarks, as I hope I shall have the opportunity of rising on third reading to repeat that, although I agree with the spirit of this bill, I dare hope that the government will modify a number of figures in respect of people earning $10,000 or less.

I should also invite the government to consider net instead of gross income because, owing to a number of factors, gross income is often misleading. Therefore, I submit that we should consider net income first. With the co-operation of course of all hon. members, while accepting their very positive comments, we should have the opportunity of adopting this bill as soon as possible for the welfare of the families in distress and of granting them the additional allowances provided for under the bill before us.

• (2150)

[*English*]

Mr. David Lewis (York South): Mr. Speaker, I rise to enter this debate so that tomorrow, on behalf of my colleagues and on my own behalf, when I have completed my remarks or toward the end of my remarks I may move an amendment to the motion before the House. Since the recess for Easter, we have all had an opportunity to study this bill carefully and to appreciate the principles animating it better than we appreciated them before.

In our view, therefore, it is important to deal with the basic principles of the bill and some aspects of it, for what the minister has done in this legislation is to pervert the idea behind the principle of family allowances. He has suggested that he is using family allowances as an anti-poverty measure. This was never the purpose of family allowances when they were first introduced. That is not the philosophy behind payments of this sort. That was not the philosophy behind the idea when it was first presented in 1944-45, and it is the wrong philosophy with which to approach payments that are intended, basically, to assist families in bringing up their children with decency and security. This is not intended to be an anti-poverty measure. I shall in some detail point out tomorrow, when I come to the body of my remarks, that as an anti-poverty measure this is a shameful piece of tokenism which cannot accomplish anything in the field of poverty, either.

All those on the government side, the minister included, have naturally tried to put the best face on this bill while talking about the number of families that will be affected one way or another by it. It is always possible to say, when discussing bills like this, that 1¼ million families, or whatever the number will be, will receive more. When I hear that, the first question I ask myself and which I ask hon. members to ask themselves is, more than what? What the minister tries to get us excited about is that we will no longer pay $6 a month or $8 a month for helping to bring up a child. The payment, it is said, will become $15 or $20 a month, although I submit in most cases it will be $10, $11 or $9 a month. I will go into details tomorrow. At any rate, we are supposed to get excited about that kind of generosity. Well, Mr. Speaker, this bill is not generous, it is not thoughtful, it will not do the job and it is, as I have said, a perversion of the original idea.

What the minister said but was careful not to emphasize was that over one million families will not get anything under his plan. I should like the minister or anyone on the government side of the House to tell the people of Canada that there are one million rich families in this country which do not need any assistance to bring up their children in decency and security. In the minister's statement of March 24 there is a contradiction that I have not been able to figure out. I will mention it now as we approach ten o'clock. Perhaps the minister can enlighten us at some time. On page 1133 of *Hansard*, the left-hand column, the minister is reported as saying:

> Two and a half million families will receive benefits. Nine hundred thousand families will receive maximum benefits.

On the next page, page 1134, in the left-hand column he says:

> Full benefit under FISP will go to 1,249,000 families—

I do not understand why there is so much difference between those two figures. In one statement the minister said that 900,000 families will receive maximum benefit and in the other that 1,249,000 families will receive the full benefit. The difference of 300,000 families is not a small figure. The differential of one-third as between the figure given on page 1133 and the figure on page 1134 of *Hansard* is pretty large and important. I do not know which figure is correct.

What the minister did not emphasize, and what I want to emphasize tonight particularly and again tomorrow, is that over one million families will not get any benefit under this bill. As I said, I challenge the minister to tell me

and this House that there are one million rich families in this country.

With that, Mr. Speaker, perhaps you will permit me to call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL REVENUE—ISSUANCE OF INTERPRETATION BULLETIN CONCERNING DEDUCTIBILITY FROM TAXABLE INCOME OF MONEY PAID BY TORONTO "STAR" FOR "TELEGRAM" SUBSCRIPTION LISTS

Mr. David Lewis (York South): Mr. Speaker, in the last few years we have seen in Canada a growing monopoly of newspapers in our major centres. In the last few months we have seen that monopoly extended to one afternoon newspaper in the largest urban area of Canada, metropolitan Toronto. I think parliament and the people of Canada have not only the right but the duty to look carefully at the way in which that kind of monopoly has come about. It seems to me, on the basis of reports I have seen in newspapers and on the basis of the interpretation bulletin to which my questions today and the other day referred, that it is very likely that the public treasury will pay for the establishment of an afternoon newspaper monopoly in metropolitan Toronto. That is not what we ought to be doing; that is not what the government ought to be doing.

The first point that strikes me as odd is the coincidence of dates. According to reports, the deal between the Toronto *Star* and the Toronto *Telegram* was completed on September 15, 1971. It was announced publicly on September 18, 1971. On September 17, 1971, two days after the deal was completed and one day before it was publicly announced, the Department of National Revenue issued a bulletin. This clearly indicates that the Toronto *Star* will be able to deduct as a business expense the $10 million it paid for the subscribers list of the Toronto *Telegram*. That coincidence of dates is a very serious matter which I believe this Parliament ought to know about.

• (2200)

The right hon. member for Prince Albert (Mr. Diefenbaker) used the adjective "pusillanimous". I say the minister made a less than heroic attempt to hide behind the income tax law in refusing to give information. I have not asked for information about the tax position of the Toronto *Star*! I am not interested in that. I am asking him to inform the House and the people of Canada about any correspondence between the Toronto *Star* and his department relating to information with respect to the possible application of the law.

I asked for information regarding conversations that may have been held by the minister and members of his department with anybody representing the Toronto *Star*, whether it is the publisher, Mr. Honderick, a member of the board of directors, the Hon. Walter Gordon or anybody else on behalf of the *Star*. That is not information relating to the Star's tax payments or tax liabilities. It is information regarding conversations and correspondence, using the word in the legal sense, by the department as to the application or possible application of laws and what might be done. It goes to the question of whether the department was requested, asked or pleaded with to issue some kind of interpretation bulletin such as was in fact issued on September 17 last.

During the course of the deal between the Toronto *Star* and the Toronto *Telegram*, I read in a newspaper report that the publisher of the *Telegram* believed that the money he was receiving for the subscribers list was a capital gain; it was payment for goodwill in the subscribers list. If the Department of National Revenue permits Mr. Bassett to have the $10 million as a capital gain, the public treasury will pay it both ways. If this is a capital gain to Mr. Bassett, it cannot be a business expense to the Toronto *Star*. If it is a business expense to the Toronto *Star*, it cannot be capital to Mr. Bassett. If the two work out as the newspaper report indicated, the public treasury will pay the part that the publisher of the *Telegram* would have had to pay if it were income, and will pay the part the Toronto *Star* would have had to pay if it were not able to deduct the $10 million as a business expense for the year.

What is it we are doing? All this is behaviour that facilitates the establishment of a monopoly in the largest afternoon newspaper market, and facilitates the loss of 1,200 jobs. The government would have been serving the welfare of this country a great deal better if instead of making possible these large tax concessions to powerful newspaper organizations it had used some of the public money to assist the Toronto *Telegram* to carry on so there would be some competition among newspapers in metropolitan Toronto and so that 1,200 Canadian jobs might have been retained. This would have been a service to this country. That is not in fact what has happened.

A month or two ago I raised in this House the question of the remission of $6 million in sales tax to Canadian Oil Sands Limited of Alberta, a subsidiary of the "poverty stricken", multi-national Sun Oil. We gave them a Christmas gift of $6 million. There is now the possibility that we are going to give a gift to a large, powerful newspaper corporation. Then we present to this House new legislation on family allowances which is meagre and shamefully inadequate. It is this kind of double standard that I object to, as well as the way the government carries on.

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I think the best way I can respond to the hon. member's question is to begin by again placing on the record what I said in the House this afternoon. At that time I said that interpretation bulletin No. IT-33 was issued on September 19, 1971, as part of an ongoing program to make the public aware of the assessing policies of the department. It embodied a practice first set forth in departmental instructions in March, 1963, and in effect ever since. These instructions were based on several decisions of the Income Tax Appeal Board. I mentioned specifically the cases of John Blunt Publications Limited in 1951, appeal No. 292 in 1955, and Halliday Fuels Limited in 1960.

I can now add that since this afternoon I have been informed that work began on the preparation of this bulletin on December 14, 1970. The first draft of the bulletin was completed on January 5, 1971 and it contained in its present form the paragraph in which the word "subscribers" appears. I should also add that the department began issuing interpretation bulletins of this kind in 1970. I have been advised that they are not issued in respect of specific matters which the department may know could be brought to its attention for more formal consideration.

Let me conclude by saying that, as I said earlier, it is my understanding that the provisions of the Income Tax Act prevent me from giving the kind of information that the hon. member seeks. But I think it should be evident from the information that I have provided that the connection he has attempted to establish between the transaction in question and the issuing of the bulletin in question simply does not exist.

ST. LAWRENCE SEAWAY—PARTICIPATION WITH UNITED STATES IN STUDY ON POSSIBLE YEAR-ROUND OPERATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, like any maritimer I have a concern for the operations of the St. Lawrence Seaway. And like any Canadian I have a concern about how one can battle, if never successfully, the Canadian winter. Flying to Ottawa from Halifax in recent weeks, I have always watched whether the ice was clearing from the seaway and I gathered that the people operating the seaway are certainly having their problems with this winter.

A few days ago my attention was drawn to an article by Jeff Carruthers which appeared in the Ottawa *Journal* on March 14 last pointing up some experimentation that was proposed for the St. Lawrence Seaway system. I quote him as follows:

> Originally intended to be called The Year of the Gulf, the program as now envisioned is to stretch from this year through 1976, with peak scientific activity for 18 months between late 1973 and spring of 1975.
>
> The federal department of the environment, which is co-ordinating the project, is asking the federal treasury board for some $9 million for the project. A similar sum of money is to be obtained from existing budgets in participating government departments.
>
> Federal officials say that it is almost assured that the project will be approved as proposed.

The question that brings us to the sauce for the goose tonight is one that I directed to the Minister of Transport (Mr. Jamieson), though I presume it could also have been directed to the Minister of the Environment (Mr. Davis). In any event, it raises some questions as to the amount of money which should be used on such experimentation to keep the seaway open for longer periods in the year.

Parliamentarians are already familiar with the report by the Ottawa firm of D. William Carr and Associates. It is suggested by that group that the debt should be restructured so that it would cover only those expenditures necessary for providing facilities to shipping. The seaway should then be required to repay only the interest on the capital debt, not the debt itself.

[Mr. Gray.]

• (2210)

The report also says that Canada should move to increase tolls since this country is paying five-sixths of the investment costs of the seaway and covering six-sevenths of the waterway's deficits. It suggests that even with the 5 per cent annual increase over the next five years—and it argues that there should be nothing of a greater nature—the debt-ridden seaway would not become self-sustaining. The report suggests that if tolls were increased by 5 per cent per year for five years, seaway revenues would be kept abreast of the expected increase in costs, but such a toll increase would be insufficient to cover interest, operating and maintenance costs and seaway deficits would continue to mount, though at a slower rate. The report also suggests that if there are no toll increases, by 1985 the debt will have gone up to $1.6 billion, or three times what it is today. These are awesome figures. They are available in the Carr report.

My purpose in speaking this evening is to ask someone to reply on behalf of the minister and to find out just how far the government proposes to go with any experimentation. Will an attempt be made to balance the increased benefits of a longer season with increased tolls? Is that sort of balance to be kept? Perhaps the situation is to be left as much out of joint as it is now.

I come from a part of the country where transportation subsidies are quite common. When looking at transportation as a whole, I have adopted the philosophy that this is something which can never really pay its way. No matter what biased statements are made in this place, I do not think transportation as a whole in Canada will ever pay its way. I do not think it should have to pay its way if it helps to keep the country together or open up new horizons. If it serves the public in this way, then that service is sufficient in itself.

When I hear remarks made about subsidies to maritime transportation, particularly those made by people from central Canada, and knowing the amount of money being funnelled into the St. Lawrence Seaway, I am reminded of that old con game where a fellow makes a great deal about throwing coins into the bowl of a beggar, so much so that people do not notice that with the other hand he is engaged in a modern version of the Brinks robbery.

In any event, I have asked the questions and I hope the ministry will answer by stating exactly what is proposed in respect of experimentation in so far as the St. Lawrence Seaway is concerned.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): In replying to the hon. member for Halifax-East Hants (Mr. McCleave) I wish to express my appreciation for having an opportunity to put on the record the participation of Canadian officials in this very important matter.

This evening I can confirm the statement made by the Minister of Transport (Mr. Jamieson) to the hon. member on March 22. A request has not been received from the United States to contribute to their study concerning the subject of keeping the St. Lawrence Seaway open on a year-round basis. However, a study has been conducted for some time now by various federal officials from both within and without the Department of Transport, together

with provincial representatives, to study the technical difficulties as well as the economic and environmental implications of an extended seaway season. United States representatives have attended these meetings as observers and Canadian observers have attended United States meetings.

It is assuring to note the co-operation which exists between our two countries on these important discussions. I have noted a number of items in the hon. member's speech which I will be pleased to bring to the attention of the minister who I am sure will want to consider them seriously.

INDUSTRY—CLOSING OF MCBEAN COLLIERY—PROVISION OF PENSIONS SIMILAR TO BENEFITS FOR DEVCO MINERS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, yesterday when I asked the Minister of Regional Economic Expansion (Mr. Marchand) about his attitude in respect of pensions for the McBean miners in Thorburn, Nova Scotia, I was not trying to single out the minister for any partisan purposes but to take the opportunity once more to bring the issue of the problems involved in the closure of the McBean mine before this House. Had his colleague, the Minister of Energy, Mines and Resources (Mr. Macdonald), been in the House I would have questioned him also because he is the one to whom the final appeal was made by a delegation from Nova Scotia consisting of people from the United Mine Workers, the government of Nova Scotia and the miners themselves. However, the Minister of Regional Economic Expansion is indirectly involved because the Devco operation is to some extent responsible for some of the administration of the McBean mine at Thorburn.

I am appealing tonight to the government, through the Minister of Regional Economic Expansion, to once more consider the plight of the McBean mine and the miners and see if something constructive can be done even at this late date. I sincerely hope the government will take another look at the problem, because the need for coal exists in the area. A market is literally only a few miles away. The Nova Scotia Power Commission thermal plant can more than absorb this mine's total output. There are institutions and people in the area who need coal for heating and they are able to buy it, under the circumstances, at reduced rates. There are also institutions which depend on coal produced at the McBean mine who can ill-afford the cost of making other heating arrangements. However, this is a minor point because the skills of these miners, once they cease to be used, probably cannot be replaced if the mine is not kept in operation.

It is ironic in looking at the annual report of the Department of Energy, Mines and Resources of a year ago to see the following statement which appears at page 73 under the heading "Phasing out of coal subventions":

> As a result of the improved economic situation in western Canada and the alternative programs instituted for Nova Scotia and New Brunswick federal subventions have been phased out and will be discontinued in 1970-71.

How ironic! The western coal mining industry is doing well. Therefore, we will conveniently discontinue the subventions and effectively cripple the eastern coal mining industry. I find this very ironic. However, before dealing with this situation any further I should like to raise the main issue I wish to discuss tonight. Assuming that this mine is in fact to be closed, what will be done to make certain that the miners affected will receive the type of retirement pension to which they are entitled? It seems to me it is self-evident that the government would not wish to promote discrimination among miners in one province in the same type of industry. It is bad enough to hear about discrimination in different parts of Canada, but here we have a situation in which the miners who are being administered through the Cape Breton Development Corporation are receiving pre-retirement pensions considerably greater than those scheduled to be given to the miners at the McBean mine.

It would seem to me, again, that the government, in order to be just in this case, must take several steps. It must do so immediately. It must undertake, in co-operation with the government of Nova Scotia, that the McBean colliery workers will receive exactly the same benefits as those received by their brethren in Cape Breton. It must immediately make an effort to see that the eligibility and age for the receipt of benefits is lowered. It must as soon as possible make the very best arrangements possible for high priority in respect of re-employment, with all necessary upgrading and on-the-job training.

• (2220)

This would only be pursuant to the policies undertaken by the then minister of energy, mines and resources some time ago. The former minister, on October 7 of last year, indicated that he would make every effort to assist in the endeavour to rehabilitate the remaining work force. He pointed out at that time that although there was, as he called it, a one time grant of $930,000 given to offset the financial losses incurred, as he said; "to the time when either the financial grant provided by Canada is exhausted or the work force employed at the McBean Mine has declined to the point where further operation of the mine is impractical," the intent of that original grant was to terminate the mining and assist in rehabilitating the work force. This was not completely accomplished and, therefore, he said: "I arranged for a second grant of $750,000."

Coincidentally, this grant came at a time when the Central Nova by-election was being contested approximately a year ago. It seems to me that at that time the government was full of largesse. They were going to do great things for Central Nova in general and for the McBean mine in particular. Unfortunately, we have seen little evidence of their good will since that time.

Without ending on a rancorous note, may I again appeal to the government to take another look at this important situation affecting 200 families and see what can be done, in the first instance, to maintain the working of this significant part of the Nova Scotia coal industry and, secondly, to make absolutely certain that there is no discrimination or unfairness in looking after the needs of the men if indeed their employment is forcibly terminated.

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, on behalf of the minister I wish to say that the McBean mine is in no way connected with Devco. It is entirely a provincial responsibility. However, the minister would be happy to see that the hon. member's point of view is brought to the attention of the provincial government.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Wednesday, April 19, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

GRAIN

LONG-TERM TRANSPORTATION PLANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise to present a motion under Standing Order 43. In view of the government's failure to make long-term grain transportation plans I should like to move, seconded by the hon. member for Mackenzie (Mr. Korchinski) and with the unanimous consent of the House, the following motion:

This House urges the government to take immediate action and use all powers and any necessary funds to establish and co-ordinate a modern grain-handling system that is capable of moving Canadian grain to export markets so that Canadian farmers can take advantage of world grain market opportunities as they arise.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Lisgar. This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. The hon. member's motion cannot be put at this time.

* * *

CANADA SHIPPING ACT

AMENDMENT REQUIRING VESSELS OPERATING IN CANADIAN WATERS TO BE EQUIPPED WITH RADIOTELEPHONES

Mr. David Anderson (Esquimalt-Saanich) moved for leave to introduce Bill C-189, to amend the Canada Shipping Act (vessel bridge-to-bridge radiotelephone).

Some hon. Members: Explain.

Mr. Anderson: Mr. Speaker, this bill is part of a series being put forward by myself and the hon. member for Victoria (Mr. Groos) to amend certain aspects of the Canada Shipping Act. It requires that all vessels in Canadian waters be tuned into and monitor a certain radio frequency to be designated by the Minister of Transport after consultation with his United States counterpart.

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

• (1410)

FOOD AND DRUGS ACT

AMENDMENT REQUIRING ALL CIGARETTE ADVERTISING TO CONTAIN HEALTH WARNING

Mr. Barry Mather (Surrey-White Rock) moved for leave to introduce Bill C-190, to amend the Food and Drugs Act (cigarette advertising).

Some hon. Members: Explain.

Mr. Mather: Mr. Speaker, the purpose of this bill, which I thank the hon. member for Simcoe North for seconding, is to require by way of an amendment to the Food and Drugs Act that in future all cigarette advertising must contain within its text a health warning against the use of the product advertised.

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

* * *

CANADA WILDLIFE BILL

MEASURE RESPECTING RESEARCH AND CONSERVATION AGREEMENTS, CONTRIBUTIONS TO COSTS, AND PURCHASE, ACQUISITION OR LEASE OF LANDS

Hon. Jack Davis (Minister of the Environment) moved for leave to introduce Bill C-191, respecting wildlife in Canada.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

NATIONAL CONFERENCE ON THE LAW

Question No. 4—**Mr. Diefenbaker:**

1. What was the total cost of the National Conference on the Law, held in Ottawa February 1st to 4th, 1972?

2. How many persons registered to attend the conference?

Hon. Otto E. Lang (Minister of Justice): 1. While all of the accounts for the Conference have not yet been received, it is estimated that the National Conference on the Law will cost approximately $165,000.

2. Three hundred and sixty.

Questions

COMPARISON OF FUNCTIONS OF MANPOWER AND IMMIGRATION CONSULTANTS AND UNEMPLOYMENT INSURANCE COMMISSION INTERVIEWERS

Question No. 19—**Mr. Marshall:**

What functions are filled by agency relations consultants in the Department of Manpower and Immigration and how do they differ from the functions of the interviewers who will assist claimants in the UIC office under the Claimant Assistance Program?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Agency Relations consultants of the Department of Manpower and Immigration are employed in the Department's Regional Offices, and are engaged in the development and maintainance of working relationships with other Federal and Provincial Departments, with Private Organizations and Professional Groups involved in the provision of vocational rehabilitation services to disadvantaged workers.

They provide advice to these Departments and Agencies on the use of the services and programs of the Department of Manpower and Immigration and they coordinate plans for the development of cooperative efforts leading to increase employability of disadvantaged clients of Canada Manpower Centres.

These programs and services may be implemented through such instruments as the Canada Assistance Plan, Vocational Rehabilitation of Disabled Persons Agreements, or in cooperation with private and voluntary organizations such as The Canadian Association for the Mentally Retarded, and the Canadian Hearing Society.

These consultants also provide advice and guidance to Canada Manpower Centres in the delivery of Manpower Services to disadvantaged clients. This includes the development of working arrangements with appropriate public or private agencies for the referral of such clients in order to receive rehabilitation services leading to placement in employment.

Under the Claimant Assistance Program of the Unemployment Insurance Commission, Guidance Officers at each District Office are required to establish and maintain close liaison with job placement, job training, and social development agencies operated by different levels of government and by public organizations within their respective areas, so that referral of claimants may be made to the appropriate agency based on mutually acceptable criteria.

*PER CAPITA COST OF HEALTH CARE

Question No. 78—**Mr. Rynard:**

1. What was the per capita cost of health care for each province for the period January 1, 1969, to January 1, 1970?

2. What was the per capita cost of hospital care for each province for the period January 1, 1969, to January 1, 1970?

3. What was the per capita cost of medical care for each province for the period January 1, 1969, to January 1, 1970?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): 1. The per capita cost of health care for January 1, 1969 to January 1, 1970, includes: mental, tuberculosis and non-shareable hospital care expenditures, non-shareable personal health care, health administration, public health and general health expenditures.

[Mr. Lang.]

Mr. Speaker, as the answer is rather lengthy I wonder whether the rest of it might appear in *Hansard* as having been read?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's Note: The balance of the answer follows.*]

Excludes capital expenditures

Province	Per Capita Cost
	$
Newfoundland	124.31
Prince Edward Island	123.88
Nova Scotia	158.17
New Brunswick	151.05
Quebec	172.87
Ontario	202.58
Manitoba	178.05
Saskatchewan	163.15
Alberta	196.80
British Columbia	185.62
Yukon and Northewest Territories	128.50

2. The current estimated per capita cost of in-patient hospital services for each province for the period January 1, 1969 to January 1, 1970 is as follows:

Province	Per Capita Cost
	$
Newfoundland	58.79
Prince Edward Island	52.12
Nova Scotia	70.41
New Brunswick	73.36
Quebec	88.55
Ontario	84.62
Manitoba	72.04
Saskatchewan	76.71
Alberta	81.54
British Columbia	72.81
Yukon Territory	68.66
Northwest Territories	79.38

3. The Medical Care Program operates on a fiscal year basis from April 1 to March 31. As a result, precise per capita cost of insured services are available on a fiscal year basis only. For the fiscal year 1969-70 the medical care per capita cost of insured services by province is as follows:

Province	Per Capita Cost
	$
Newfoundland	28.84
Prince Edward Island	16.69*
Nova Scotia	40.40
New Brunswick	13.65*
Quebec	76.71*
Ontario	60.33
Manitoba	52.87
Saskatchewan	36.95

Alberta	51.46
British Columbia	57.49
Yukon Territory	—
Northwest Territories	—

*As the provinces joined the Medical Care plan during the year, their cost of insured services does not represent a full 12-month per capita cost.

STATISTICS CANADA—NAMES OF EMPLOYEES EMPLOYED IN ABITIBI CONSTITUENCY

Question No. 91—**Mr. Laprise:**

1. What are the names and addresses of the persons employed by Statistics Canada or other government agencies to determine the number of unemployed people in the constituency of Abitibi?

2. How many persons were consulted for each sampling?

3. What salary was paid to each such person?

4. Are any travel expenses paid to such employees apart from the regular salaries paid to employees of Statistics Canada or other government agencies?

[*Translation*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: 1. Statistics Canada employs Mr. Denis Veillette, 440 Pioneer Avenue, P.O. Box 2058, Malartic, Quebec, who was hired in April 1965 to interview people for the Labour Force Survey in the constituency of Abitibi.

2. The interviewer's assignment for the Labour Force Survey averages thirty-four households.

3. Mr. Denis Veillette currently receives $1.92 per hour. (February 29, 1972).

4. He is paid thirteen cents per mile for miles travelled in his automobile while completing his assignments. (In accordance with travel regulations, travel expenses are paid when prior authorization has been given.)

[*English*]

BORDEN-CAPE TORMENTINE FERRY SERVICE

Question No. 195—**Mr. Macquarrie:**

Are there any plans for construction of a new ferry or ferries for the Borden-Cape Tormentine service and, if so (a) when is construction to begin (b) what is the cost and capacity of any ship or ships planned for this service?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): No, there are no plans for construction of a new ferry for the Borden-Cape Tormentine service at the present time.

CANADA PENSION PLAN

Question No. 231—**Mr. McCutcheon:**

1. For each year since the inception of the Canada Pension Plan (a) how much money has been paid into it (b) how much money has been paid out of it (c) what has been the total cost of administration?

2. How many persons in Canada are in receipt of pensions of less than $20 per month under the Canada Pension Plan and what is the total cost of administration for these pensions?

Hon. John C. Munro (Minister of National Health and Welfare): Since the Canada Pension Plan is a partially funded social insurance plan, contributions received together with interest earned, will exceed benefits payment during the early years of the plan. Full retirement benefits are being reached in stages over a ten year transition period. Survivors benefits did not become payable until the third year of the operation of the plan. Disability benefits did not become payable until the fifth year. Income received by the Fund will come into balance with benefit payments sometime in the 1980's after which the Fund will steadily decline.

1.

Year	(A) Contributions paid into C.C.P. and Interests on Investments and other revenue	(B) Cost of Benefit Payments	(C) Cost of Administration
1966.....	$ 536,243,606.78	$ NIL	$ 6,003,805.76
1967.....	661,134,034.97	611,909.03	9,772,151.87
1968.....	765,341,849.79	10,415,176.44	14,201,738.07
1969.....	865,531,082.91	38,167,132.09	16,247,808.85
1970.....	966,752,085.75	77,871,817.53	19,701,086.76
1971.....	1,076,403,913.77	128,732,461.32	21,153,239.99

2. (a) As of December 31, 1971: 91,524. (b) Our records do not isolate the specific costs of administration of pensions on the basis of monthly amounts such as those under $20. However, the administration costs outlined above include the costs of administration of all pensions in pay, as well as the cost of determining the non-eligibility of applications submitted by persons who have not met the eligibility requirements to receive a pension and whose applications have not been approved for payment. They also include the costs of collecting contributions from some seven million contributors and maintaining their record of earnings.

AGREEMENTS WITH OTHER COUNTRIES RELATING TO SERVICES SUPPLIED FOR WEATHER REPORTS

Question No. 251—**Mr. Robinson:**

Are there any agreements between Canada and the United States or any other countries relating to joint services supplied for weather reports, etc., which emanate from Canada and, if so, what amount is paid for such services by (a) the United States (b) other countries?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): There are no formal agreements between Canada and the United States or any other country. However, there is a free exchange of weather data among most countries of the world. This exchange is carried out in conformity with the purposes of the World Meteorological Organization. Canada is one of the 136 member states of WMO.

Questions

OPERATION COMPULEX

Question No. 257—**Mr. Robinson:**

Will the government advise which profession or professions will be able to utilize data banks as a result of the pilot study Compulex?

Hon. Otto E. Lang (Minister of Justice): The objective of Operation Compulex is to determine to what extent modern technology can be used to improve a lawyer's information handling capabilities. Any recommendations made by the Study would relate to data banks of legal information. Such banks would be of interest mainly to members of the legal profession.

FEDERAL ASSISTANCE TO DAHOMEY

Question No. 270—**Mr. Robinson:**

What contribution, if any, has Canada made to Dahomey (a) directly (b) through the African Development Bank and is Canada contemplating any further assistance to Dahomey?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Bilateral: At the bilateral level, in 1971-1972 Canada is making available to Dahomey $864,000 in gifts and $550,000 in loans for the financing of projects or programs agreed upon. African Development Bank: To date Canada has not participated in the financing of the ADB, but it is contributing $150,000 towards technical assistance. The costs of sending two experts to the ADB are being paid out of these credits. If a Special Fund is set up, Canada plans to contribute, but the amount is as yet undetermined. Future Assistance: Canada plans to continue assistance to Dahomey.

FEDERAL ASSISTANCE TO IVORY COAST

Question No. 271—**Mr. Robinson:**

What contribution, if any, has Canada made to Ivory Coast (a) directly (b) through the African Development Bank and is Canada contemplating any further assistance to Ivory Coast?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Bilateral: At the bilateral level, in 1971-1972 Canada is making available to the Ivory Coast $1.69 million in gifts and $3 million in loans for the financing of projects or programs agreed upon. African Development Bank: To date Canada has not participated in the financing of the ADB, but it is contributing $150,000 towards technical assistance. The costs of sending two experts to the ADB are being paid out of these credits. If a Special Fund is set up, Canada plans to contribute, but the amount is as yet undetermined. Future Assistance: Canada plans to continue assistance to the Ivory Coast.

FEDERAL ASSISTANCE TO MALI

Question No. 272—**Mr. Robinson:**

What contribution, if any, has Canada made to Mali (a) directly (b) through the African Development Bank and is Canada contemplating any further assistance to Mali?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Bilateral: At the bilateral level, in 1971-72 Canada is making available to Mali $193,000 in gifts for the financing of projects or programs agreed upon. African Development Bank: To date Canada has not participated in the financing of the ADB but it is contributing $150,000 towards technical assistance. The costs of sending two experts to the ADB are being paid out of these credits. If a special fund is set up, Canada plans to contribute, but the amount is as yet undetermined. Future Assistance: Canada plans to continue assistance to Mali.

FEDERAL ASSISTANCE TO MOROCCO

Question No. 273—**Mr. Robinson:**

What contribution, if any, has Canada made to Morocco (a) directly (b) through the African Development Bank and is Canada contemplating any further assistance to Morocco?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Bilateral: At the bilateral level, in 1971-1972 Canada is making available to Morocco .8 million in gifts and 2 million in loans for financing projects or programs agreed upon. Also 2 million have been given under our food aid program. African Development Bank: To date Canada has not participated in the financing of the ADB, but it is contributing $150,000 towards technical assistance. The costs of sending two experts to the ADB are being paid out of these credits. If a special fund is set up, Canada plans to contribute, but the amount is as yet undetermined. Future Assistance: Canada plans to continue assistance to Morocco.

FEDERAL ASSISTANCE TO NIGER

Question No. 274—**Mr. Robinson:**

What contribution, if any, has Canada made to Niger (a) directly (b) through the African Development Bank and is Canada contemplating any further assistance to Niger?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Bilateral: At the bilateral level, in 1971-1972 Canada is making available to Niger $2.5 million in gifts for financing projects or programs agreed upon. African Development Bank: To date Canada has not participated in the financing of the ADB, but it is contributing $150,000 towards technical assistance. The costs of sending two experts to the ADB are being paid out of these credits. If a special fund is set up, Canada plans to contribute, but the amount is as yet undetermined. Future Assistance: Canada plans to continue assistance to Niger.

FEDERAL ASSISTANCE TO SENEGAL

Question No. 275—**Mr. Robinson:**

What contribution, if any, has Canada made to Senegal (a) directly (b) through the African Development Bank and is Canada contemplating any further assistance to Senegal?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Bilateral: At the bilateral level, in 1971-1972 Canada is making available to Senegal $3.40 million in gifts and $2.00 million in loans for the financing of projects or programs agreed upon. African Development Bank: To date Canada has not participated in the financing of the ADB, but it is contributing $150,000 towards technical assistance. The costs of sending two experts to the ADB are being paid out of these credits. If a Special Fund is set up, Canada plans to contribute, but the

amount is as yet undetermined. Future Assistance: Canada plans to continue assistance to Senegal.

FEDERAL ASSISTANCE TO TOGO

Question No. 276—**Mr. Robinson:**

What contribution, if any, has Canada made to Togo (a) directly (b) through the African Development Bank and is Canada contemplating any further assistance to Togo?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Bilateral: At the bilateral level, in 1971-1972 Canada is making available to Togo $824,000 in gifts and $500,000 in loans for the financing of projects or programs agreed upon. African Development Bank: To date Canada has not participated in the financing of the ADB, but it is contributing $150,000 towards technical assistance. The costs of sending two experts to the ADB are being paid out of these credits. If a Special Fund is set up, Canada plans to contribute, but the amount is as yet undetermined. Future Assistance: Canada plans to continue assistance to Togo.

CANADIAN CONTRIBUTION TO COMMONWEALTH INSTITUTE OF BIOLOGICAL CONTROL STATION, TRINIDAD

Question No. 316—**Mr. Robinson:**

Will Canada contribute to the station of the Commonwealth Institute of Biological Control in Trinidad and, if so (a) where will it be located (b) will it be utilized by any other Caribbean country (c) will there be any control over the construction and maintenance of the station by Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Canada has contributed to the station of the Commonwealth Institute of Biological Control in Trinidad. (a) It is located at St. Augustine, Trinidad and Tobago, West Indies. (b) Yes. (c) CIDA's contribution is limited to construction which will be monitored through the use of a CIDA inspector who will approve the invoices before funds are disbursed.

PUBLIC WORKS PROJECTS IN MONTREAL-BOURASSA CONSTITUENCY

Question No. 321—**Mr. Trudel:**

In the constituency of Montreal-Bourassa (a) what projects are planned by the Department of Public Works for the fiscal year 1972-73 (b) what projects were completed by the Department from 1968 to the present?

[*Translation*]

Hon. Jean-Eudes Dubé (Minister of Public Works):

(a) Nil

(b)

Fiscal year	Project
1968-1969	Air conditioning of Post Office
1969-1970	Loading Platform at Post Office
1970-1971	Nil
1971-1972	Improvements to Post Office

[*English*]

CIDA LOANS TO JAMAICA

Question No. 328—**Mr. Rodrigue:**

In the past five years, has the Canadian International Development Agency granted any loans to Jamaica and, if so (a) how many (b) what was the amount of each loan (c) for what period of time and at what rate of interest was each made?

Hon. Mitchell Sharp (Secretary of State for External Affairs):

Yes.....(a) 11

(b) and (c)

Loan	Amount	Interest	Time
Rural Schools	950,000	¾	50
St. Mary's Water Supply	1,200,000	3	30
Water Resources	1,500,000	3	30
Prefeasibility Studies	1,200,000	3	30
Montego Bay Hospital	735,000	¾	50
Line of Credit to Jamaica Development Bank	1,300,000	3	30
Bridges (69/70)	300,000	¾	50
Bridges (70/71)	200,000	3	30
Bridges (71/72)	525,000	3	30
Road Studies	3,000,000	3	30
Port Antonio Water Supply	500,000	3	30

CLEANING AND MAINTENANCE COSTS OF POST OFFICES IN PORTNEUF, ST. AUGUSTIN, CAP-SANTÉ AND ST. BASILE

Question No. 341—**Mr. Godin:**

What amounts were paid by the government to the person in charge of cleaning and maintenance for each of the following post offices in the constituency of Portneuf (a) St. Augustin (b) Cap-Santé (c) St. Basile?

[*Translation*]

Hon. Jean-Eudes Dubé (Minister of Public Works):

Location	Yearly Contract	Paid to date	Contract for period of Months
(a) Saint-Augustin	$1,020	$3,570	42
(b) Cap Santé	1,320	1,923	17.5
(c) Saint-Basile	1,284	1,926	18

[*English*]

*ISSUANCE OF STAMP TO COMMEMORATE 25th WEDDING ANNIVERSARY OF THE QUEEN AND PRINCE PHILIP

Question No. 353—**Mr. Diefenbaker:**

Will the Postmaster General give favourable consideration to taking the necessary steps now to bring about the issuance of a stamp later this year to commemorate the 25th Wedding Anniversary of Her Gracious Majesty The Queen and HRH The Prince Philip?

Questions

Mr. Gerald Richard Cobbe (Parliamentary Secretary to Postmaster General): Mr. Speaker, the proposal is under consideration.

FORT AMHERST NATIONAL HISTORICAL PARK

Question No. 363—**Mr. Macquarrie:**

1. When was Fort Amherst National Historical Park established?

2. In each of the succeeding fiscal years, what was the amount of money expended upon this Park?

3. What plans are envisaged for restoration of the original fort?

4. What historians, archaeologists, architects or engineers have studied or surveyed the site?

5. Apart from a visitor centre, what other improvements or additions to the park are in contemplation?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. February 2, 1967.

2. 1967-68, $38,249; 1968-69, $39,737; 1969-70, $68,612; 1970-71, $40,823; 1971-72 (to Feb. 19, 1972), $59,173.

3. Restoration or any form of reconstruction of the original fort is not possible as the physical remains are scanty and archaeological investigation suggests that the site had been stripped shortly after the fort was abandoned in 1775.

4. Mr. Brock Hornby then a staff historian with this Department and Mr. John Rick, than a staff archaeologist with this Department.

5. Improvements to picnicking facilities, parking areas, installation of an instructive display in the visitors centre, and ground interpretive signs are contemplated.

COST OF HYDROFOIL HMCS *BRAS D'OR*

Question No. 370—**Mr. MacRae:**

1. What was the total cost of the hydrofoil HMCS *Bras d'Or* project?

2. What is the present status of this project?

Mr. J. R. Comtois (Parliamentary Secretary to Minister of National Defence): 1. The cost has been $51,722,000.

2. As announced on November 2, 1971, the hydrofoil, HMCS *Bras d'Or*, has been laid up for a five-year period because a reassessment of Maritime Command's requirements has scaled down its priority. However, research into hydrofoils will be continued by the Defense Department, and the *Bras d'Or* could be reactivated at any time should circumstances alter. For more detail, see *Hansard* for Tuesday, November 2, 1971, p. 9239.

NATIONAL DEFENCE—TEN TOP SENIOR OFFICERS

Question No. 371—**Mr. MacRae:**

As of January 31, 1972, who were the top ten senior military officers in the Armed Forces?

[Mr. Diefenbaker.]

Mr. J.-R. Comtois (Parliamentary Secretary to Minister of National Defence): General F. R. Sharp, Lieutenant General E. M. Reyno, Vice Admiral J. C. O'Brien, Lieutenant General M. E. Pollard, Lieutenant General G. A. Turcot, Lieutenant General M. R. Dare, Lieutenant General J. A. Dextraze, Vice Admiral H. A. Porter, Major General R. C. Stovel, Rear Admiral J. A. Charles.

NATIONAL DEFENCE—MANPOWER STRENGTHS

Question No. 382—**Mr. MacRae:**

What was the strength of the Armed Forces on March 31 for the years 1966 to 1971 inclusive?

Mr. J.-R. Comtois (Parliamentary Secretary to Minister of National Defence): March 31, 1966, 107,467; 1967, 105,584; 1968, 101,572; 1969, 98,340; 1970, 93,353; 1971, 89,563.

GOVERNMENT PUBLICATION "NATIVE TREES OF CANADA"

Question No. 387—**Mr. Beaudoin:**

Does the government intend to cease publishing the French version of *Native Trees of Canada* and (a) if so, for what reason (b) if not, has the French version been sold out and when will it be available again?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): The French version of "Native Trees of Canada" (1970 edition) is still under preparation; the government intends to publish it as soon as possible.

FARM CREDIT CORPORATION LOANS

Question No. 402—**Mr. Rowland:**

1. What percentage of farmers having loans with the Farm Credit Corporation have been unable to meet their obligations to the Corporation during the past two years?

2. Of those farmers who have successfully met their obligations, what percentage have been forced to borrow money from other sources in order to make their payments to the Farm Credit Corporation?

3. If the information requested in part 2 is not now available, is any attempt being made by the Farm Credit Corporation or any other government department or agency to obtain such information?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): The Farm Credit Corporation advises as follows: 1. The percentage of all borrowers in arrears increased from 6.4 per cent in 1968 to 9.9 per cent in 1969 and to 15.1 per cent in 1970.

2. Information not available.

3. No. The Corporation does not believe it should, nor does it have the power to, require borrowers to declare the source of funds with which they make their payments.

SMALL BUSINESSES LOANS ACT STATISTICS, 1971

Question No. 413—**Mr. MacDonald (Egmont):**

Under the Small Businesses Loans Act, for the year 1971, what was the increase or decrease in loans in dollars and as a percentage over the previous year (a) for each province (b) in total?

Hon. John N. Turner (Minister of Finance):

Increase or (Decrease) in Loans in 1971 Compared to 1970

	Amount ($)	Percentage
British Columbia	947,418	34.2
Alberta	1,211,507	104.8
Saskatchewan	454,818	54.6
Manitoba	508,305	89.8
Ontario	1,913,416	61.2
Quebec	3,169,714	71.9
New Brunswick	211,447	81.4
Nova Scotia	10,600	2.0
Prince Edward Island	(12,488)	(13.3)
Newfoundland	78,434	288.3
Yukon	(15,000)	(100.0)
Northwest Territories	18,012	500.3
Total	8,496,183	61.6

FARM IMPROVEMENT LOANS ACT STATISTICS, 1971

Question No. 414—**Mr. MacDonald (Egmont):**

Under the Farms Improvement Loans Act, for the year 1971, what was the increase or decrease in loans in dollars and as a percentage over the previous year (a) for each province (b) in total?

Hon. John N. Turner (Minister of Finance):

Increase or (Decrease) in Loans in 1971 Compared to 1970

	Amount ($)	Percentage
British Columbia	1,106,370	20.8
Alberta	12,857,183	37.8
Saskatchewan	20,328,642	71.9
Manitoba	3,280,439	30.1
Ontario	6,987,210	35.1
Quebec	(279,812)	(21.2)
New Brunswick	65,941	8.7
Nova Scotia	54,986	5.9
Prince Edward Island	(7,989)	(0.4)
Newfoundland	6,681	15.8
Total	44,399,651	43.0

PEI—DEVELOPMENT OF SECOND NATIONAL PARK

Question No. 433—**Mr. Macquarrie:**

1. Has the Government of Canada received any requests from the Government of Prince Edward Island for the development of a second national park in that Province and, if so (a) what has been the response (b) what share of the cost of land acquisition will the government make to such a park?

2. Is land being added to the existing Prince Edward Island National Park and, if so (a) in what amount (b) what is the location and purpose of each parcel of land to be acquired?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. (a) Joint negotiations between the Governments of Prince Edward Island and Canada are continuing on the proposed East Point National Park. The Government of Canada, represented by the National and Historic Parks Branch is most anxious to see a National Park established in the East Point Area because of its scenic and recreational attraction and biological significance.

(b) Cost sharing arrangements are now the subject of discussion. On previous occasions a fifty-fifty cost sharing has been utilized where lands have abutted on shorelines or coastlines.

2. (a) Land is now being acquired relative to the long term development of Prince Edward Island National Park. Owing to potential land speculation it is not considered to be in the public interest to disclose the land acquisition program in specific terms.

(b) Planning studies are being conducted at the present time by the National and Historic Parks Branch as the basis for a park development concept. Until the concept is completed the specific purposes of each sub-area cannot be indicated. However in keeping with National Park policies the uses will be recreational and conservational in character or geared to serving these priority uses.

ACQUISITION OF TROPICAL PLANTS FOR DEPARTMENT OF ENVIRONMENT BUILDING

Question No. 462—**Mr. Nystrom:**

1. Were tropical plants acquired for the new Department of the Environment building in Hull and, if so, what was the cost of acquiring these plants?

2. Were any or all of these plants damaged or destroyed due to inadequate heating in the building and, if so, what was the cost of such plants?

3. Have the plants which were damaged or destroyed been replaced or have replacements been ordered and, if so, what will be the cost of replacing such plants?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): 1. Tropical plants have been acquired for the Department of the Environment Building in Hull at a cost of $30,244.50.

2. None of these plants were damaged or destroyed due to inadequate heating in the building.

3. See two above.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

OIL EXPLORATION PERMITS

Question No. 322—**Mr. Douglas:**

1. How many oil exploration permits were issued by the Department of Energy, Mines and Resources during 1971 covering areas of the coastal waters on the Pacific coast?

2. How many oil exploration permits on the Pacific coast were outstanding as of March 1, 1972?

3. What were the names and addresses of the companies granted these permits, on what dates were they issued and what is the area and the location covered by each permit?

4. What permits, if any, have been revoked since January 1, 1972?

Return tabled.

Motions for Papers

NATIONAL DEFENCE—PAY AND ALLOWANCE SCALE FOR ARMED FORCES

Question No. 380—**Mr. MacRae:**

What is the pay and allowances scale for all ranks of the Armed Forces?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notices of motions Nos. 8, 36, 38 and 41.

COPY OF STUDY BY SUMMEROUR AND ASSOCIATES INC. REGARDING "ANALYSIS OF THE MANPOWER UTILIZATION OF THE MANITOBA GARMENT INDUSTRY"

Motion No. 8—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by Summerour and Associates Inc., Atlanta, Georgia, undertaken for the Department of Manpower and Immigration regarding the "Analysis of the Manpower Utilization of the Manitoba Garment Industry".

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, as advised in the last session, the material requested is a confidential report prepared by a firm of private consultants on the understanding that it would be available only to the department and the private sponsors. I regret that it cannot be produced and I would ask the hon. member to withdraw the motion.

Mr. Orlikow: Mr. Speaker, since I cannot accept the government's criteria about what should be kept confidential I cannot agree to withdraw the motion.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF REPORT BY GOVERNMENT RELATING TO DEUTERIUM OF CANADA LIMITED

Motion No. 36—**Mr. Hellyer:**

That an Order of the House do issue for copies of any report or reports prepared by or for the government recommending that Atomic Energy of Canada Limited assume responsibility for the reconstruction and operation of the Deuterium of Canada Limited heavy water production plant at Glace Bay, N.S.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the reports were of a confidential nature prepared for internal use and not for the purpose of being made public. I would therefore request the hon. member to withdraw his motion.

Mr. Hellyer: Transfer for debate.

Mr. Speaker: Transferred for debate.

[Mr. Douglas.]

COPY OF CORRESPONDENCE RECEIVED BY PRIME MINISTER FEBRUARY 21-29, 1972 CONCERNING STRIKE OF MONTREAL WORKERS

Motion No. 38—**Mr. Hellyer:**

That an Order of the House do issue for copies of all telegrams or letters received by the Prime Minister or his office from February 21 to February 29, 1972, concerning the strike of outside workers at Montreal or the strike of federal electronic technicians.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, correspondence addressed to the Prime Minister is not readily retrievable by subject only by name of correspondent. However, accurate statistics analysing the mail are available and we could pass those to the hon. member if he is agreeable under the circumstances that the motion be withdrawn.

Mr. Hellyer: Mr. Speaker, this is one of the most ridiculous excuses I have heard in 20 years of parliamentary life.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Obviously there can be no debate now. Either the motion is transferred for debate or the question is put.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF REPORT OF COMMITTEE CREATED TO DEAL WITH PROGRAM TO HELP SMALL FARMS IN CANADA

Motion No. 41—**Mr. MacDonald (Egmont):**

That an Order of the House do issue for a copy of the final report of the Technical Committee created by the Minister of Agriculture to deal with the development of a national program to help the small farms in Canada as well as any documents, letters or communications related to the Technical Committee.

Mr. Speaker: Stand.

Motion stands.

Mr. Speaker: Shall the remaining notices of motions stand?

Mr. Skoberg: Mr. Speaker, in regard to notices of motions Nos. 25 and 26, the first of which has to do with the production of papers concerning the CNR pension plan, in view of the tremendous amount of interest in this subject can the government say whether or not this material will be produced?

Mr. Jerome: I will look into that, Mr. Speaker.

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

Mr. Speaker: Oral questions.

ORAL QUESTION PERIOD

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, on a point of order may I say that I have been waiting since we came back from the Easter recess to put an important question to the Minister of National Health and Welfare (Mr. Munro). He was not here last Thursday or on Monday, both of which were his roster days. Again today he is not here. Can we be told whether he will be here and, if not, can we be told who will be speaking for him?

Mr. Hees: Let's have an answer.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, doesn't anyone know who the acting minister is?

Mr. Hees: No, they don't know who he is.

Mr. Speaker: I would judge that the matter is in the process of being considered at the moment. For the time being the Chair will recognize the hon. member for Lisgar.

* * *

GRAIN

GOVERNMENT ACTION TO INCREASE MOVEMENT FOR EXPORT—PAYMENT OF ADDITIONAL EXPENSE

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct a question to the minister responsible for the Canadian Wheat Board. Since Canada's grain exports are still some 25 million bushels behind our target, what is the exact extent, if any, of the contribution to be made by the federal government in an all-out effort to move the backlog of export grain which, as I said before, still stands at some 25 million bushels below the target?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it would take me a long time to outline all the steps we are taking to improve our export capacity. While we may be behind our target it is, of course, a very large target indeed because we are presently about 70 million bushels ahead of last year's pace when we set an all-time export record.

• (1420)

Mr. Murta: Since the government has done nothing but look at short-term plans for the movement of grain and this, of course, involves money, can the minister tell us what the government is prepared to do about the additional expense that will be incurred ultimately by the prairie farmers in moving grain? I am thinking of the demurrage charges on boats, the extra cost of shipping grain that will be incurred and the use of inland terminals.

Mr. Lang: Mr. Speaker, as I indicated, we are prepared to do quite a number of things on those fronts and are discussing the use of the inland terminals, of which use is now being made as railway cars are available. I would remind the hon. member about such things as movement during the winter by unit train of grain from Thunder Bay to the eastern ports so that an additional ten million bushels of grain could be moved into export at the expense of the federal government.

Mr. Murta: In view of the additional expense that will be involved in moving the backlog of grain and trying to catch up on the backlog, can the minister tell the House who in effect will pay? Who is going to foot the bill? Will it be the Canadian farmers?

Mr. Lang: Mr. Speaker, I quarrel with the hon. member's definition of backlog in view of the record movement of grain that is going on.

An hon. Member: Answer the question.

Mr. Lang: Naturally a great number of regular expenditures are involved in expanding our transportation system. Now that we have people gradually believing that we are going to export at these levels with a vigorous export effort in the years to come, we can expect the transportation and handling system to respond.

PAYMENT OF SHIP DEMURRAGE CHARGES BY GOVERNMENT RATHER THAN FARMERS

Right Hon. J. G. Diefenbaker (Prince Albert): I am not going to ask about backlogs, Mr. Speaker. The demurrage charges on the ships that have been waiting as a result of the government's failure to get the grain moving and amounting to an estimated $7 million to $10 million, is that amount to be paid by the government of Canada rather than being charged to the farmers?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the suggestion that the demurrage results from any failure on the part of the government is totally misplaced. If the right hon. member would care to ask the Wheat Board about the matter, for instance, they would tell him very clearly that the kind of winter we had resulted in this problem. We have done a great number of things to see to it that the grain is moving at the present time. There are now only 11 ships waiting in Vancouver—

Mr. Hees: Just answer the question.

Mr. Speaker: Order, please.

Mr. Diefenbaker: Even the minister could not memorize that fairy tale, Mr. Speaker, and had to read it. Is that $7 million to $10 million to be charged to the farmers? Who will be responsible? That is what I want to know and the farmers have a right to know.

Some hon. Members: Hear, hear!

Mr. Lang: Mr. Speaker, as I have made clear many times before, that kind of cost may be considered an ordinary cost and risk of doing business. While we have been spending millions and millions of dollars to improve the lot of the farmer both directly in regard to his income and in the operation of the system, we do not propose to do so for any particular feature of the operation of his farm.

Inquiries of the Ministry

COMMITMENT OF ADDITIONAL ROLLING STOCK AND MOTIVE POWER BY RAILWAYS FOR MOVEMENT

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a supplementary question for the minister who is quoted in the *Free Press* as saying that he is very optimistic about the good will and determination of all—

Mr. Speaker: Order, please. The hon. member might like to ask the question directly rather than quote the newspaper report to which he has just referred.

Mr. Gleave: Can the minister tell the House whether the railroads have put into effect their undertaking to provide both additional rolling stock and motive power to move grain? Is this now taking place?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the railroads are now acquiring additional capacity and stock to handle our record movement of grain, and all other parts of the system to my knowledge are trying to do their best to react to the challenge which faces us. I do not think it would do any good to comment at any particular point in time on whether I think one person or another in the whole group involved could do better.

Mr. Diefenbaker: They could not do worse than the government has done.

Mr. Gleave: The minister, of course, is entitled to his opinion as to what will or will not do good, but the farmers on the Prairies are entitled to information. Specifically, has the CPR committed rolling stock and motive power for moving grain and, if so, in what quantity?

Mr. Lang: Mr. Speaker, I will have so see if I can obtain that kind of statistical information or whether my colleague, the Minister of Transport, can obtain it. I know that the railways are in the process of obtaining more of both types of equipment. What exactly they have at this time I do not know.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. In view of the very large number of foreclosures, involuntary land sales and forced sales by farmers who are being compelled to leave the land because of the bankrupt policies of this government, does the government intend to take steps to relieve against these conditions, either by amendments to the Farmers' Creditors Arrangement Act or in other ways, so that farmers can be allowed to stay on the land until there is a new government to deal with the problems?

SUGGESTED USE OF NATIONAL HARBOURS BOARD TERMINAL, VANCOUVER, TO HANDLE SPECIALTY CROPS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a supplementary question to the minister in charge of the Wheat Board. Since the National Harbours Board Terminal at Vancouver is still sitting empty after three or more years and since it is in need of repair, can the minister advise what response he has made to the Minister of Industry, Trade and Commerce's telegram urging, on the advice of experts in the trade, that that terminal be immediately used as a specialty terminal to handle specialty crops in order to increase the throughput of wheat and barley in the other, larger terminals?

Hon. Otto E. Lang (Minister of Justice): Yes, that particular elevator is constantly being examined in light of the costs involved and alternative facilities which are available. Further examinations of its possible use are going on at the present time. Naturally the over-all objective is to move the maximum amount of grain but also at the lowest possible cost, and the use of the terminal is being examined in that light.

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

Mr. Speaker: Order, please. At least 15 hon. members are seeking to ask supplementaries. We would have three question periods to allow all those supplementaries. We will return to this important subject in a moment. The Chair will recognize the hon. member for Bellechasse.

* * *

[*Translation*]

HIGHWAYS

FEDERAL CONTRIBUTION TO CONSTRUCTION OF TRANS-CANADA HIGHWAY BETWEEN MONTMAGNY AND NEW BRUNSWICK BORDER

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to direct a question to the Minister of Public Works.

While travelling, in 1971, between Montmagny and the New Brunswick border, we saw a few road signs stating that the federal government was contributing to the Trans-Canada Highway development.

May I ask the minister whether the agreement in force until December 31, 1970, was renewed for 1971 and, if so, did the government really contribute to the construction of that road in 1971?

Mr. Speaker: I think that this kind of question should be put on the order paper. However, if the minister has any information available on this matter, he may answer the hon. member.

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, if this is a federal-provincial agreement on highway development in the province of Quebec, it does not come under the jurisdiction of my department.

Mr. Speaker: It seems the hon. member for Bellechasse (Mr. Lambert) would like to ask a supplementary to the question he asked a moment ago.

Mr. Lambert (Bellechasse): Mr. Speaker, I wish to raise a point of order.

Further to the answer the Minister of Public Works (Mr. Dubé) has just given to the question I asked him, I would merely like to say that my question deals with question No. 252 I put on the order paper and which has been answered on Monday last, in writing, by the Minister of Public Works. Since this answer was dealing precisely with the works I mentioned in the question I just asked, I think the minister did not understand it or else that we

were not talking about the same matter. In any event, I would like to get an answer to my question.

Mr. Dubé: Mr. Speaker, I can only repeat what I just said. If it is a provincial road being built under a federal-provincial agreement or program, this agreement does not come within the purview of my department. The hon. member should express himself more clearly or else get in touch with me after the question period.

* * *

[*English*]

GRAIN

EXPORT MOVEMENT—RAILWAY PROPOSAL RESPECTING COST OF LEASING ROLLING STOCK—ELEVATOR COMPANIES' REQUEST CONCERNING ADDITIONAL COST OF SIX-DAY WORK WEEK

Mr. Stanley Korchinski (Mackenzie): Mr. Speaker, may I direct a question to the minister responsible for the Wheat Board. At the recent meeting he held with all organizations interested in the movement of grain, did the railways lay a proposal before him involving certain expenditures of money which would be necessary in order to provide rolling stock by way of lease? Also, have the elevator companies requested, because of the proposal that they work a six-day week which would entail additional cost, that the additional cost be borne by the government and not by the elevators and, consequently, the producers themselves?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the answer to the latter part of the question is no. The answer to the former part is that there were discussions along these lines concerning additional equipment and whose responsibility it might be.

Mr. Korchinski: In those discussions did the railways assure the minister, even at this late date when there are congested elevators, that they will be sending boxcars to blocked elevators in order that many producers who have rape may take advantage of the increased price and perhaps provide an inducement to them to stay in that crop?

• (1430)

Mr. Lang: Mr. Speaker, the railways' commitment was in terms of over-all use of equipment to move grain. The actual location of the cars depends on the operation of the block system, the Wheat Board and the elevator companies, but the objective is certainly to place the cars wherever elevators are congested so that the grain may move.

STORAGE OF CLEANED WHEAT FOR SHIPMENT IN JANUARY AND FEBRUARY, 1973

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, my supplementary question is directed to the Minister of Justice. It relates to the serious problem introduced by the hon. member for Lisgar. In view of the serious difficulties we have had in the past year in moving our grain into market position, is the government making any preparations for next November and December as to the piling in a surge storage of clean, ready to move wheat for shipment in January and February 1973?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the possibility and how to achieve it is among the matters being discussed.

* * *

TRANSPORT

SHORTAGE OF RAILWAY CARS FOR MOVING BRITISH COLUMBIA LUMBER

Mr. J. G. Lind (Middlesex): Mr. Speaker, we are sure that the two great national railway systems, Canadian National and Canadian Pacific, are doing their best to move all the grain from the west, but my concern and question are directed to the Minister of Transport. What is the minister going to do about the boxcar situation to move lumber from British Columbia to Ontario where it is greatly needed for housing construction?

Some hon. Members: Hear, hear!

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I thank the hon. member for not giving me notice of that question. I answered it in considerable detail yesterday. I believe the statistics are on the record and that some improvement has started as of yesterday and will continue in the weeks immediately ahead.

Some hon. Members: Supplementary.

Mr. Speaker: Order, please. I can assure hon. members that I am not necessarily impressed by the loudness of their calls. I see hon. members standing. It is not necessary for them to try to impress the Chair in this way. The hon. member for Middlesex.

Mr. Lind: Is it true that some of the large manufacturers of plywood have to negotiate with the CNR to supply their own boxcars in order to move their product to the eastern provinces?

Mr. Speaker: Order, please.

* * *

GRAIN

DECISION ON USE OF NATIONAL HARBOURS BOARD TERMINAL, VANCOUVER, TO HANDLE SPECIALTY CROPS

Mr. John Burton (Regina East): Mr. Speaker, I would like to address my question to the minister in charge of the Canadian Wheat Board. In view of the fact the National Harbours Board terminal, now unused in Vancouver, could be put into operating condition for some $200,000 to handle specialty grains, can the minister indicate when we might expect a decision on this matter which he said he will take under consideration?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I did not say that I was taking it under consideration but that it was under consideration and was being looked at

from the point of view of cost and benefit. There are other ways of handling additional grain, particularly clean grain, in the existing terminals, and these alternatives have to be balanced against the cost.

* * *

BUSINESS OF THE HOUSE

REQUEST THAT DEBATE ON CNR FINANCING BILL BE RESUMED IN LIGHT OF TRANSPORTATION PROBLEMS

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is to the government House leader. In view of the concern expressed by many members with regard to railroad problems, will the government House leader consider bringing the CNR financing bill before the House today or tomorrow so they can be explored and debated in more detail?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, if we can make some progress on the items I announced on Thursday last, I will be happy to bring on the CNR bill just after that.

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HEALTH

MEDICARE AND HOSPITALIZATION—ACCEPTANCE OF NEW GOVERNMENT COST-SHARING FORMULA BY PROVINCES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is to the Minister of National Health and Welfare. It arises out of the cost-sharing formula he has offered to the provinces, which will have the effect of tying the federal government's contribution to hospital insurance and medicare to the growth of the gross national product. May I ask the minister how many provinces have accepted this formula, what provinces have rejected it and, since March 31 was the cut-off date, has it been closed or is the offer of the thrust fund still open to the provinces?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, answering the latter part of the question first, the offer of the thrust fund is still open. As to the first part of the hon. member's question, none has actually accepted and none has rejected. What is going on now is that they are making their views known with reference to the last proposal that was made by the federal government. They are suggesting some changes and we are considering those. It has not really gotten to the point of actual acceptance or rejection.

Mr. Douglas: Since the federal government's offer would undoubtedly place a larger share of the cost of these programs on the provincial governments, is the minister prepared to consider as an interim step continuing the present cost-sharing arrangement until such time as the full effect of the thrust fund in providing lower cost facilities becomes fully operative?

[Mr. Lang.]

Mr. Munro: No, Mr. Speaker. We are not prepared to consider that, although I do not agree with the premise of the hon. member's question; if I understood him correctly, he said that this formula would cast a greater share on the provinces in terms of health expenditures. The whole formula was based on the federal and provincial governments coming to some agreement jointly with regard to controlling the rate of escalation based on an agreement that it be controlled, and it was on this basis this formula was offered.

Mr. Douglas: A final supplementary question.

Mr. Speaker: Order, please. I hope hon. members will attempt to limit their supplementaries because we will be running short of time.

Mr. Douglas: Is it the intention of the minister to introduce legislation to implement this cost-sharing formula and will this be done on the basis of concurrence of all the provinces or a majority of the provinces? Can he assure the House that he will not implement this formula over the objections of the provinces?

Mr. Munro: Mr. Speaker, I do not believe we are going to proceed now on the basis of the formula we have talked about. We certainly will not legislate it into existence without having tested the provinces and having considered some of the reactions. It is premature to talk about that matter now. We still want to carry on further discussions with the provinces. I do not anticipate legislation at this time.

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INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct my question to the Prime Minister. When the Prime Minister visits Edmonton next week, will he be visiting as leader of the Liberal party or as Prime Minister of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid I will not be able to split my personality before next week.

Some hon. Members: Oh, oh!

Mr. Paproski: I would like to know because there are not too many Liberals in Edmonton and we want to make sure he gets a proper welcome.

Mr. Speaker: Order, please.

Mr. Trudeau: Mr. Speaker—

Mr. Speaker: Order, please.

POLLUTION

POSSIBLE APPLICATION OF WATER QUALITY AGREEMENT WITH UNITED STATES RESPECTING GREAT LAKES TO LAKE SIMCOE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is directed to the Minister of the Environment. Does the government have any intention of extending to Lake Simcoe the anti-pollution strategy announced last weekend for the Great Lakes with regard to phosphate discharges and waste treatment facilities?

Hon. Jack Davis (Minister of the Environment): As the hon. member knows, Mr. Speaker, the Canada Water Act provisions apply all across Canada. They relate to the phosphate content in detergents. However, the specific matter of sewage treatment facilities is a matter for the province of Ontario.

Mr. Rynard: My question is, is the government extending the same facilities and help in the case of Lake Simcoe as it is in respect of the Great Lakes?

Mr. Davis: Mr. Speaker, if the government of Ontario wants to enter into an agreement with the federal government to help out in that regard, we will be willing to look at it.

* * *

• (1440)

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—ROLE OF DEPARTMENT OF LABOUR MEDIATORS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State about the NABET strike. Is it the position that the Department of Labour mediators in this strike are engaged in attempts at settlement on a daily basis or are they standing by waiting to be called by either side?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I believe the question should be directed to the Minister of Labour.

[*English*]

Mr. Fairweather: It might save time, Mr. Speaker, if I could redirect my question. If the Minister of Labour would answer it I would be much obliged.

Hon. Martin P. O'Connell (Minister of Labour): Yes, Mr. Speaker. The federal mediators are in constant touch with both parties. They have met with them on a number of occasions jointly and separately. Renewed efforts are being made today in contacting both parties to the dispute.

Mr. David Lewis (York South): I should like to ask the Minister of Labour whether the mediators have met with both parties at any time in the last ten or 12 days and whether, in fact, the mediators have met with the union representatives in the last ten days or so? My information is that there has been no such meeting.

Mr. O'Connell: If the hon. member means both parties jointly, the answer is no. He is correct. The two parties have not been together with the mediators for approximately two weeks. In the meantime, the mediators have been in touch with both parties separately and both parties have made some proposals. As I pointed out earlier, renewed contacts are being made today.

Mr. Lewis: May I ask the minister whether the time has not come for him to be ready to ask the mediators to do what is normally done in such serious negotiations after a long strike, that is, to arrange that the two parties be in the same place with the mediators and that discussions take place continuously instead of over the telephone and over the course of some days, so that the parties can be there to discuss matters with the mediators and with each other? Would the minister undertake to get that done?

Mr. O'Connell: The federal mediators are highly expert in this field, Mr. Speaker. They are the same persons who brought about a settlement of the stoppage on the St. Lawrence docks. They know perfectly well how to handle the situation, and I am sure their efforts in the immediate future will be helpful and bear fruit. The two parties to the dispute must show a willingness to come together.

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INDIAN AFFAIRS

SETTLEMENT OF NATIVE RIGHTS CLAIMS PRIOR TO DECISION ON NORTHERN PIPELINE

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. Bearing in mind the statement by the Minister of Energy, Mines and Resources that he is considering requesting bids for a pipeline running from the Canadian Arctic, can the hon. gentleman give an assurance that no final decision on this matter will be taken until the outstanding native rights claims are settled?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are now in the process of studying what the formalities will be with regard to allotting a corridor and authorizing the construction of a pipeline. Other instructions will be given, through regulations, to control the situation.

With regard to the Indians and the Eskimos, we are now looking into the problem; we are in constant touch with them. They can contact the Indians claims commissioner and no final decision has yet been made in this connection.

[*English*]

Mr. Dinsdale: In view of the fact that the Indian brotherhoods have refused to consult with the commissioner dealing with land claims and bearing in mind the long delay in the settlement of treaties 8 and 11, can the minister give an assurance that a definite decision will be

reached on these important treaties before any final decision on a pipeline is made?

[*Translation*]

Mr. Chrétien: Certainly, Mr. Speaker. We have offered the Indians to solve the problems with regard to treaties 8 and 11; it is now up to them to make proposals. They must take their responsibilities and not wait for us to do so for them.

NORTHERN QUEBEC—DISPUTE OVER ESKIMO SCHOOLS—INTERVENTION OF MINISTER

Mr. René Matte (Champlain): Mr. Speaker, I also have a question for the hon. Minister of Indian Affairs and Northern Development.

Has the minister intervened, or has he been called upon to do so, in the dispute now existing in Eskimo schools of northern Quebec?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, nobody has called on me to intervene in this dispute which, if I have not misunderstood, is taking place within schools under provincial jurisdiction.

* * *

[*English*]

OIL

TRANS-ALASKA PIPELINE SYSTEM—PROVISION OF CANADIAN OIL TO UNITED STATES DURING EVALUATION OF ALTERNATIVE ROUTE

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources of which I have given notice to his office. In light of American concern over their supply of oil during the two-year period required to evaluate alternative transportation routes to the trans-Alaska pipeline system, may I ask the minister whether he has made clear to his United States counterpart Canada's willingness to make oil available to the United States during this period so that a proper evaluation of a route can be undertaken free of short-term security considerations?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Both in my discussions with Secretary Morton and other officials of the United States administration in Washington and recently with Secretary Rogers last week, I made it perfectly clear that Canada was prepared to supply additional quantities of oil to the United States not only for a two-year period but a longer period and that this would be facilitated by their lifting their quota system.

PROPOSED MACKENZIE VALLEY PIPELINE—GOVERNMENT POLICY

Mr. Steven E. Paproski (Edmonton Centre): What is the government's present policy on the Mackenzie pipeline? Was the policy made clear during the President's visit?

[Mr. Dinsdale.]

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Yes, Sir, both during the President's visit and in the course of my discussions with White House officials and Secretary Morton. In particular, I would reaffirm in the House the statement I made yesterday in the standing committee that the sooner we see some concrete proposals with respect to the Mackenzie Valley corridor for both oil and gas pipelines the sooner we shall be in a position to evaluate them and resolve the problems they raise.

Mr. Paproski: I should like to know why this information was withheld from parliament. Why did the Prime Minister not give this information a couple of days ago in answer to my hon. friend from Calgary North who asked this question?

Mr. Speaker: Order, please.

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EXTERNAL AFFAIRS

PROPOSED NUCLEAR TESTS BY FRANCE—CANADIAN REPRESENTATIONS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. In view of the fact that last fall the Canadian government made representations to the United States prior to the Amchitka nuclear tests and in view of the fact that the obscenities of nuclear contamination exist regardless of which nation undertakes such tests, has the Canadian government communicated with the government of France regarding its forthcoming nuclear tests in the Pacific.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Not yet, Mr. Speaker, because no definite plans have yet been made for that test.

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BROADCASTING

ALLEGED COMPLAINT BY SECRETARY OF STATE TO CALGARY STATION FOLLOWING PARTICIPATION IN OPEN-LINE PROGRAM

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State. It has to do with his appearance on an open-line program over CHQR in Calgary on March 28. I ask the hon. gentleman in his capacity as Secretary of State, having jurisdiction over various areas of broadcasting, whether he complained to the broadcasting company concerning something which took place when he uttered a vocal vulgarity and made a ministerial faux pas?

An hon. Member: Speak to George.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I am aware of the incident referred to by the right hon. member for Prince Albert. Had he been the butt of the nasty trick which was played on me, I should have consid-

ered myself as the protector of the right hon. representative's language and would have intervened with the CRTC. As I was the one involved, in effect a much less important and perhaps more tolerant personality, I have lodged no complaint.

• (1450)

[*English*]

Mr. Diefenbaker: Mr. Speaker, realizing the diffidence the minister always exhibits in treating some of these private stations with contempt, I ask him whether he complained either directly or indirectly to the ownership of the station with the result that the broadcaster was removed from his office for vulgar language used by the minister?

Some hon. Members: Shame!

[*Translation*]

Mr. Pelletier: Mr. Speaker, I just said I made no complaint and I am surprised that the right hon. representative should so phrase his question since he personally outside the House professed to sympathize with me because I was pushed into resorting over the waves to unbecoming language at a time when I believed microphones had been turned off.

[*English*]

Mr. Diefenbaker: Mr. Speaker, I never deny what I say inside or outside the House. The minister used vile language over the station when he thought the line was not open, and when he found out the line was open he was annoyed.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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PENSIONS

RATIFICATION BY WEST GERMANY OF RECIPROCAL AGREEMENT WITH CANADA—DATE FOR PAYMENT TO CANADIANS OF GERMAN ORIGIN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether the reciprocal agreement between Canada and the Federal Republic of Germany, respecting the payment of pensions, has been ratified by West Germany, and can he say at what date the payment of pensions to thousands of Canadian citizens of German origin will be put into effect?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I cannot say what date it will be in effect but I will check and get the information back to the hon. member very soon. I believe ratification by the German parliament is very imminent, indeed. I have forgotten precisely what is the projected date, but it is very soon.

Mr. Speaker: Order, please. I will have to seek the cooperation of hon. members at this point. There is not much more than five minutes remaining before the end of the question period and we might try to limit the number of supplementary questions. The hon. member for Annapolis Valley. Order, please. I did not notice the hon. member for Winnipeg North Centre stand to ask a supplementary question. I will allow him to ask it now and return immediately to the hon. member for Annapolis Valley.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the minister whether he will check to ascertain if this agreement has not in fact been ratified, and will he make a statement on this matter in the House, perhaps tomorrow?

Mr. Munro: I will be glad to consider that, Mr. Speaker.

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BROADCASTING

CABLEVISION—SUGGESTED MEETING WITH PROVINCIAL MINISTERS OF EDUCATION TO DISCUSS JURISDICTION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I have a question for the Secretary of State. In view of the remarks of the Ontario Minister of Communications in that legislature yesterday expressing his opinion in respect of cablevision, and in view also of the opinions of the Quebec and Alberta legislatures in this regard, does the federal minister intend to call together the various ministers of education to sort out these conflicting claims of jurisdiction in the cable field so we will not have chaos in the regulation of cablevision?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, we have already made some attempts in that connection and the hon. member is aware of that.

I have not seen the actual statement made by the Ontario minister yesterday afternoon, but I know—as does the hon. member—that the position of the federal government is quite clearly established at the moment, that we have also stated on several occasions that we were ready to discuss the matter with the provincial authorities when they wished to do so.

I must add that the minister quoted by the hon. member has never approached my department to undertake such discussions.

[*English*]

Mr. Nowlan: Mr. Speaker, I should like to ask a short supplementary question. I appreciate the minister's answer to a point, that he is disposed to discuss this matter, but does he intend to take any initiative regarding a joint discussion with all the ministers across the country, or is this going to be done piecemeal with each minister having to come to Ottawa to discuss the subject individually?

[*Translation*]

Mr. Pelletier: Mr. Speaker, the hon. member has surely missed the first part of my answer where I said that on the initiative of the federal government, all the provinces were visited last year and that I got in touch with all the

provincial ministers responsible for communications. On the other hand, nothing has yet been done in the other direction.

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THE CANADIAN ECONOMY

FOREIGN INVESTMENT—GOVERNMENT POLICY—STATEMENT OF QUEBEC FINANCE MINISTER—DISCUSSION WITH PROVINCIAL AUTHORITIES

Hon. Martial Asselin (Charlevoix): Mr. Speaker, may I direct a question to the Prime Minister?

Recently, the Minister of Finance of Quebec, Mr. Garneau stated in Toronto that the government of Quebec would object to any federal policy to limit foreign investment. Can the Prime Minister of Canada tell the House whether he intends to discuss this matter with the government of the Province of Quebec before announcing its policy on foreign investment?

Right Hon. P. E. Trudeau (Prime Minister): I should say, Mr. Speaker, that at the last federal-provincial conference last fall the provincial premiers and myself dealt with the issue of foreign investment and at that time I asked all premiers to indicate their views on that subject during the following months. I am happy to say that some premiers replied with specific suggestions, but I believe that most of them are in the position of the Conservative party, that is to say, they reserve the right to criticize government measures but have nothing to propose.

Mr. Asselin: Mr. Speaker, on a supplementary, I suggest to the Prime Minister that the Conservative party is not in power and that, if it were, it would have made a decision long ago in this respect.

Mr. Speaker: Would the hon. member ask his supplementary?

Mr. Asselin: Mr. Speaker, my supplementary is as follows. As the statement of the Minister of Finance of Quebec seems to contradict the Prime Minister's allegations to the effect that he consulted with the provincial premiers, does the Prime Minister intend to obtain a statement from the premier of Quebec on this important matter?

Mr. Trudeau: Mr. Speaker, I believe that the Quebec Minister of Finance was present when this discussion was held here, at the conference centre. But let's forget the past. When our policy concerning investment has been announced, we intend to consult with the various provinces regarding comments that they would care to make concerning legislative measures which might follow.

[Mr. Pelletier.]

[*English*]

FLOODS

RIDEAU RIVER—ACTION TO REMOVE ICE AND MAINTAIN FREE WATER FLOW—SUGGESTED DYKING PROGRAM

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, I should like to ask the Minister of Transport whether he is aware of the present serious problem of flooding on the Rideau River, particularly in the towns of Kemptville, Kars and Manotick in my constituency, and is he satisfied that his officials have taken all necessary steps to clear the river of ice and to maintain the free flow of water?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I am certainly aware of it, and it has been called to my attention by the hon. member and others. I am satisfied that we are taking all necessary steps. As I believe everyone is aware, this has been an extraordinary spring with regard to water runoff.

Mr. Blair: In view of the fact that flooding has become a recurring problem on the Rideau system, is the minister prepared to consider a program of dyking to enable better protection to be given the built-up areas?

Mr. Jamieson: The short answer is obviously yes, Mr. Speaker, we will be glad to look at that suggestion. My recollection is that some work of that nature has been going on, but if there are specific proposals we will be glad to consider them.

* * *

IMMIGRATION

REQUEST FOR INQUIRY INTO ADMINISTRATION OF ACT AND OPERATIONS OF APPEAL BOARD

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the right hon. Prime Minister. Because of the increasing number of complaints concerning the administration of the Immigration Act and other immigration problems, including the delays and procedures with regard to appeals, will the government order an inquiry into the operation of the Immigration Act and the anomalous and often cruel situations created by the Immigration Appeal Board over which the government has no control?

• (1500)

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. An inquiry of the nature suggested by the hon. member is not intended nor do we believe it to be necessary, but the government has considered and will consider measures for improving the situation on the immigration front where it is possible.

* * *

INQUIRY OF THE MINISTRY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Could he inform the House whether or not the results of the Gallup Poll due to be released today have caused the Prime Minister

to conclude it would not be in the national interest to have a June election?

Mr. Speaker: Order, please.

* * *

TRANSPORT

TOBERMORY-SOUTH BAY FERRY SERVICE—SUGGESTED MODERNIZATION OF FACILITIES

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the fact that another season is about to open on the Tobermory-South Bay ferry service, which for the past two or three years has been ill-equipped to cope with the traffic, has the government any plans to remedy this situation.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, as a result of representations by the members from that general area and discussions with the Ontario government, some months ago proposals were made to the Ontario government with a view to modernizing this ferry service and my recollection is that at the moment we are awaiting a definitive answer from the government of Ontario.

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SPORT

HOCKEY—PROPOSAL THAT WINNIPEG BE SITE OF GAMES BETWEEN RUSSIA AND CANADA

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of National Health and Welfare. With reference to the new ground rules which have been announced in relation to world hockey competition and in relation to any part Hockey Canada might play in the promotion of the planned series between Russia and Canada next September, will the minister use his good offices to prevail upon Hockey Canada to recognize the city of Winnipeg as host in order to compensate for the washout of the last world tournament which was to have been played in that city?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the hon. member and other members on this side of the House have brought this matter to my attention. I will make their views known to Hockey Canada.

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HIGHWAYS

POSSIBLE RECOGNITION OF YELLOWHEAD ROUTE AS PART OF NATIONAL SYSTEM—FINANCIAL ASSISTANCE

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Transport. In view of the expressed desire to establish a second national highway, and having regard to the representations made by the Yellowhead Interprovincial Highway Association to the Prime Minister and the cabinet, is the minister now in a position to indicate whether it is the intention of the government to officially recognize the Yellowhead route as part of the national highway system and will funds be made available for the construction and upgrading of this facility?

Mr. Speaker: Order, please. I really think some of the questions that are being asked, such as the question just posed by the hon. member, should be placed on the order paper. It seems to me that if this kind of question were asked day after day the House could sit all day on the question period. I am sure there is not one member who does not have one question or many questions of this type which could be asked during the question period. I think an effort should be made to limit questions to matters which are of national concern rather than of local interest. I do not say that this matter is not important. I am sure it is. The question has been asked and the minister might reply, but I would hope hon. members would not forget that questions ought normally to be placed on the order paper and it is only in circumstances of urgency and national interest that questions should be asked orally. Having said this, and recognizing the importance of the question asked, the minister might reply very briefly.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I met with the Yellowhead group and have communicated with them. The last response I had from them was that what I had indicated to them was quite satisfactory, that is, that the route is in fact being recognized and that every effort will be made to ensure it is given the prominent place it deserves in the Canadian highway network.

Mr. Mazankowski: Mr. Speaker, I would ask the minister to reply directly to my question. Will the federal government be prepared to contribute financial aid for the construction and upgrading of this facility since it is a national problem and a national highway?

Mr. Jamieson: Mr. Speaker, in the first instance I would suspect that any initiative with regard to the upgrading of that or any other highway within the province is clearly within provincial jurisdiction. To my knowledge at the moment there is no specific request from the province in this respect—

An hon. Member: Any province.

Mr. Jamieson: —or from the provinces. I am well aware there are three provinces. What I started to say was we are discussing the question of some form of co-operative effort in this regard. Mr. Speaker, I think the comments clearly indicate the wisdom of your admonition a few minutes ago.

Mr. Speaker: Order, please. The hon. member is rising on a point of order. Before calling orders of the day I will recognize the hon. member for Richmond. I think it is only fair that the hon. member should be allowed to ask his question, but the hon. member for Vegreville rises on a point of order.

Family Income Security Plan

Mr. Mazankowski: Mr. Speaker, the minister has indicated this is a matter which has not been dealt with and is strictly under the aegis of the provincial government. The Yellowhead Highway Association has met with the minister and requested recognition of the highway as a second national trans-Canada highway. Is the minister prepared to answer my question? Is the government prepared to accept its responsibility?

Mr. Speaker: Order, please. That is no longer a point of order. The hon. member for Richmond.

* * *

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—SUGGESTED INCREASE IN FUNDS TO ENABLE APPROVAL OF MORE PROJECTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Secretary of State.

In view of the statements that the minister has made recently regarding the Opportunities for Youth program, to the effect that there have been about 20,000 applications and that the budget amounted to $85 million, and in view of the fact that it has been recognized that this budget was insufficient, could the Secretary of State say whether this government intends to increase this budget, so that more projects can be approved?

Mr. Speaker: I am under the impression that this question has already been put several times recently, but the minister may answer briefly, if he so desires.

Hon. Gérard Pelletier (Secretary of State): I would simply make a correction, Mr. Speaker: $85 million is the budget for all summer activities. The Opportunities for Youth program gets only $34 million. So, the answer is, as you put it yourself, Mr. Speaker, the one that I gave whenever that question has been put to me over the past 15 days.

• (1510)

[*English*]

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed, from Tuesday, April 18, consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. David Lewis (York South): Mr. Speaker, as I said during the few minutes I spoke last night, we have had an opportunity since the Easter recess to study the bill before us further and the more one studies it and its effect, the more it becomes clear to us that it is unacceptable in principle. It is a veritable nightmare from an administrative point of view and is indeed a hoax on the poor as well has low and middle income families. My colleagues in the New Democratic Party and I have therefore concluded that we cannot support the bill on second reading and that indeed we must oppose it as vigorously as we can at each of its stages.

Of course, I know that my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), in leading off for our party in this debate said that we were prepared to give the bill second reading and send it to the appropriate standing committee. At that time, he said what all of us had concluded. However, throughout his speech the hon. member made clear his criticism of the principle of the bill, and insisted that it would have to be changed before we could be satisfied with it. As we studied the bill further, it became obvious to us, to my friends and colleagues, that even if certain improvements were made in the bill we would still be left with a law which has abandoned universality, that has ignored the basic philosophy underlying payments to help in the upbringing of Canada's children, and which of course threatens to involve families of Canada in an administrative jungle even worse than the one in respect of the Unemployment Insurance Act and the Unemployment Insurance Commission.

Therefore, we shall vote against the bill on second reading. I want to emphasize that we shall do so precisely because we are strongly in favour of substantially increased family allowances and because we are opposed to the principle of the bill now before the House. Indeed, before I am finished I hope, with your permission, Sir, to move an amendment and, as my amendment will show, we make three simple points: one, that family allowance payments should remain universal as they have been. They should be paid to all mothers in Canada to assist them in bringing up Canada's children.

Some hon. Members: Hear, hear!

Mr. Lewis: Second, that the family allowance levels should be raised substantially. At the very least, they should be at the level required by the rise in the cost of living since 1945, a rise which is now equal to 230 per cent. This means that the amounts of $15 and $20 proposed in this bill are the minimal amounts that we should countenance because they are just about at the level of the increase in the cost of living since 1945. These benefits should be made universally applicable.

The third point is that we say to the minister and to this government, if they are concerned about making payments to the wealthy, if they are concerned about making payments for children of families that really do not need those payments, then the proper way of doing that is to make the necessary changes to the income tax where that kind of thing can be done on a fair and progressive basis instead of the selective manner now proposed. The fact is that the minister and the government are trying to change the family allowance concept which we have had into an anti-poverty measure. Not only is this a perversion of the idea of family allowances, but as an anti-poverty measure it is disgraceful tokenism. What the government is doing is

making the not so poor in Canada provide a few additional dollars to the poor. I want to emphasize, as I will show in a moment, that this bill does not even do that for the poorest of families on social assistance in Canada. It is not a redistribution of income, it is a shameful redistribution of anxiety to the families across this country.

I was not here during much of the debate that has taken place before but I have read most of the speeches. I have studied some of the speeches made by hon. members from Newfoundland and hon. members from the province of Quebec and I wondered whether they had even read this bill. I cannot imagine how any member in this House who has actually read the bill can support it in view of the fact that one of the things which the bill provides is that the children of families on social assistance within the meaning of the Canada Assistance Plan will be entitled only to half the benefits provided under this bill.

Mr. Knowles (Winnipeg North Centre): Shame.

Mr. Lewis: Those are the poorest in the land. The minister talks about this being an anti-poverty measure, a redistribution of income, and he provides in the act that children of families on welfare within the meaning of the Canada Assistance Plan shall get half the benefit; in other words, shall get almost nothing above what they get now.

Mr. Munro: Children in institutions.

Mr. Lewis: I expected the minister would say that. Somehow I had a hunch he would say that. I want to tell the minister that he should read the bill which he is piloting through the House. If he reads the bill, he will find in section 3(1)(b) that the person dealt with there is not only a person in an institution but a person under 18 years of age who is wholly or substantially maintained out of moneys administered or provided by a department or agency of the government of Canada or of a province, and the children in institutions are dealt with in a separate subparagraph. The minister should read it. What the bill says is that not only children in institutions will get half the benefit but that children of all families on social welfare in Canada will get only half the benefit.

Mr. Munro: That is not so, even on the basis of the hon. member's own reading.

Mr. Lewis: What a shameful thing to do. Is this a war on poverty? How is this bill directed to such a war, indeed how is it for meanness shown to the poorest children in this land? I ask hon. members to read clauses 3 and 5. I usually try to avoid saying things that are clearly wrong, and that I know are wrong. No matter how many times the minister interrupts, I tell him that he does not know what this bill does. What it does is shameful, and if he read this bill he would see that every word I have said is right.

Mr. Munro: I rise on a point of order, Mr. Speaker. I am sure the hon. member would not want to intentionally mislead the House. If he is using that wording to indicate that all families with children who are receiving social assistance in Canada are going to get half the family allowance, then he is misreading the clause to which he just referred.

Mr. Lewis: I am not, Mr. Speaker.

Mr. Speaker: This is hardly a point of order. It is a point of debate between the minister and the hon. member. The hon. member who has the floor referred to a particular clause of the bill and gave it an interpretation. The minister disagreed with him. That is debate. I do not think that clause can be debated in this form and at this time, so I suggest to hon. members that this is the kind of debate which normally should take place at the committee stage rather than on second reading.

Mr. Lewis: I want to underline that so far as I am concerned the minister is not sliding under. Subclause (2) of clause 6 of the bill which provides for the benefit refers to children with respect to whom I read the subsection, namely, children maintained through public funds, federal or provincial. It says that if these children receive assistance within the meaning of the Canada Assistance Plan, they will receive half the benefits. There is no doubt about the words. There is no doubt in my mind that the words are there deliberately and that the people advising the minister were looking for money in order to give a few more dollars to some of the working poor while taking it from everybody else. They took the money from those on welfare because they say they pay half of it under the Canada Assistance Plan, and they took it from the people in the $7,000 to $11,000 income range which at this time in this country is not the range in which the wealthy families of this country are found.

Mr. Peters: The same as the Unemployment Insurance Fund.

Mr. Lewis: We will have nothing to do with the kind of callous, pennypinching that this clause represents, and which describes the whole of the situation. In fact, I say to the minister and to members of the House that, in addition to the specific provision in the bill, children of families on welfare will not benefit in any way from this legislation because anyone who has had anything to do with welfare agencies and welfare departments—and you can ask any agency in the land—knows perfectly well that changes in welfare payments must be made for one reason or another on some basis of need, and family allowance payments are bound to be taken into consideration in the future as they have been in the past. The result will be that the really poorest people in Canada will benefit not one whit from this measure.

This is not the place for an anti-poverty program. This is not where or how you fight poverty in this country. Family allowances are not intended to serve that purpose, and when you try to make them serve that purpose inevitably you produce inequity, inequality and injustice, as this bill has in fact done. What the minister has done here has been what the government did in the case of old age security pensions when it froze that pension at $80 a month and increased the guaranteed income supplement. The result is that as one travels across this country, as I do, one meets literally thousands of pensioners who cannot quite qualify for the supplement but who still live in squalor, insecurity and unhappiness That is what the government did to old age pensioners by freezing the pension at $80. It is now producing precisely the same

results with this measure. It is introducing precisely the same principle into this bill dealing with family allowances.

• (1520)

The philosophy of family allowances was that they were to assist in the upbringing of Canada's children, the most important asset that any country has. Making payments in this area selective destroys that purpose. No one suggests that it is possible to make payments that will totally pay the cost of rearing children, but the intention was to give some meaningful assistance to families with children, although it has not been meaningful thus far, in recognition of the fact that families with children have special needs and that all children should be given at least a modicum of equality of opportunity across this country. And it has been just a bit of equality; that is all it has been. To introduce arbitrary selectivity into this kind of social security program is to ignore this principle and introduce inequalities. Let me deal with this for a few minutes, Mr. Speaker.

The minister in his speech said that over one million Canadian families will get nil benefit out of this bill. I would like to ask any member of this House, any member of our society in Canada, whether he believes that there are more than a million rich families in this country? I would like to ask the minister if he really thinks that paying nothing on behalf of children in over one million families in Canada is a fair thing to do, and whether he really believes there are one million families in Canada that do not need some extra assistance for the upbringing of their children? This, itself, proves the iniquities in this bill.

The minister says that about 1¼ million families will get full benefits, and at one place in his speech he says that 900,000 will get maximum benefits. I think I now understand the difference between maximum and full benefits which I mentioned last night. Now, I believe that the people who wrote the minister's speech did know what they were talking about. The maximum benefits in this case are related to those who get the $15 and $20, and the full benefits are those the minister provides in the bill, including half the benefit that children of social welfare families get, so that of the 1¼ million families there will be 300,000, 400,000, 500,000—who knows the number—families on welfare whose children will not get more than half the benefit the minister provides in the bill.

No one will deny that there are a good many families that will get more under the scheme that the minister proposes. So what, Mr. Speaker? When you have given them $6 and $8 for so many years, with the cost of living going up all the time, and then introduce a bill which gives a little more to some of the families, it is supposed to be acceptable. I say to the minister no, because you have to look at the bill and see what it does to all families in Canada. I will deal with a few examples if I have time, Mr. Speaker.

I want to put on record what a child under 12 will get. If a family consists of one child under 12 years and has an income level of $7,500, that child will get $1 less than it gets now. It will get $5 instead of $6 under the present bill. If the family income is $8,000, the payment to the child will be $3.45 a month. If the family income is $8,500 the payment is $1.80 a month, and if the family income is $9,000 the payment is nil.

Then, look at a family with two children under 12 years. At $8,000 and above they get less than now. At $8,000 the child gets $5.10, 90 cents less than the present $6. At the $9,000 income level, each child will receive $1.80 instead of $6, and at $9,300 the two children will get nil from this bill.

A family with five children under 12 years and having an income of $8,000 will get for each child $10 instead of the present $6, an increase of about two thirds, but we must remember that the cost of living is 230 per cent higher than it was in 1945. A family with five children and total family income of $9,000, under the plan proposed by the minister will get about the same per child as was received before, and at $9,300 will get less than the $6 per child, while at $10,000 income the allowance will be $3.45 a month.

I want to say that this group of families with incomes between $7,000 and $10,000, or $7,500 and $10,500, are not rich. They are not rich in our present society. All these families are usually in debt to finance companies. They are the families of working people, of people who work in factories. They are the families of farmers who are trying to eke out a living. They are the families of salaried people in offices. They are families that are not wealthy, families that need the family allowance, who need a little extra for their children.

In summary what we have is that for families on social assistance there is no improvement or hardly any improvement. Children of families with income from $7,500 to $10,500 will receive substantially less, and a third of the families in Canada are completely cut off from any family allowance. I think that is a correct summary of what the bill proposes. I say to you, Sir, not only for myself but for my entire party that this is a shameful, rotten system to foist on the Canadian people at this time in 1972.

Some hon. Members: Hear, hear!

Mr. Lewis: In my humble and profound opinion, it is an uncivilized act to deal in this way with social security in a country as wealthy as Canada, in a country where the gross national product keeps on growing all the time, in a country where we hand out hundreds of millions of dollars each year to large, poverty-stricken corporations, most of them multinational, to enable them to increase their profits, in a country which will make a $6 million Christmas gift to Great Canadian Oil Sands Limited, a subsidiary of Sun Oil, a country that writes tax laws so that one can obtain a monopoly for a newspaper in the largest English speaking market in the country and make the public pay for it. In such a country, to foist this on the people of Canada is a shameful act for any government, even this government.

Furthermore, the income market I am talking about, those with incomes from $7,500 to $10,500, not only are they not rich, not only are they in trouble all the time, but they are the families that carry the heaviest tax load in this country. All you have to do is study our tax system to see that. To deprive them of the little additional assistance that would have been available under a decent plan is

really something we cannot accept. I want to say to the minister that the evil of this kind of thing will surely come out in months to come, just as I am sure that the majority the government now has will push this legislation through. It will result in dividing communities, in humiliating people.

Most families that receive family allowance cheques will cash them somewhere in their own locality. Everybody will be watching everybody. With a little bit of calculation people will know what somebody else's income is by the size of the family allowance cheque which a person cashes in the local grocery store or in the bank on the corner, and everybody will resent it if someone else gets more than they get. It is the kind of thing that divides communities. People who make $7,500 get so much and those who make $8,500 get so much. Nevertheless, people who live in the same neighbourhood are in the same economic and social stratum in society; they live side by side and deal with the same people. Everybody will know exactly what his neighbour's income is and how much he receives in family allowance. That will divide communities into the have and have not segments. A thousand dollars more income or a thousand dollars less income will create the kind of tension that government ought to remove rather than produce in legislation that it brings before parliament.

• (1530)

Some hon. Members: Hear, hear!

Mr. Lewis: Those who do not receive benefits because they earn a few dollars more than their neighbour will bitterly resent those who get benefit, especially when they realize that they pay a little bit more tax than their neighbour. One man may earn $6,800 and another $7,200; the first gets benefit but the second pays as much or more taxes and this will be bitterly resented. Those who receive the benefits will be unnecessarily humiliated by the fact that their neighbour, who earns a few dollars more, does not receive them. By definition, they must be in need, Mr. Speaker. These are threats to social harmony in a society. They produce a backlash against the social system, against the welfare system, against the taxation system instead of making people realize that there is a unity in this country, that we are trying to create a Canadian family of harmony and decency. This is another reason this is so unacceptable in my opinion to every sensitive thinking person.

As far as the question of administration is concerned, the plan is a bureaucratic nightmare and this should be obvious to everyone who thinks about it, Mr. Speaker. It certainly must have been obvious to the people who conceived it. Payments are scaled to the number of children and to the precise income. If you earn $100 more, 33 cents a month is dropped from the benefit. The increase has to be in the $500 bracket. This means that every time a family's income increases by $500, every time the husband or wife is laid off during the year, the farmer whose income varies from $3,000 one year to $7,000 or $8,000 the next because he cannot control the market price of his product, every time there is this kind of change in the family income or when a child passes the age of 12 or 18 years or there is a new birth, it is necessary to make a new application supplying the additional information to the department and the bureaucrats who will deal with it. This will create a nightmare, even in comparison with the administrative mess created by the unemployment insurance administration. There are provisions for penalties for infractions. As I read the bill, Mr. Speaker, there will be endless infractions because the ordinary Canadian cannot be expected to follow these bureaucratic instructions. To be acceptable, a social security program ought to be simple in administration, ought to cost as little as possible to administer and ought to be worded in such a way that every Canadian can "read as he runs" as the phrase goes.

Some hon. Members: Hear, hear!

Mr. Lewis: Instead, this is an administrative jungle, a complex and complicated piece which inflicts a mean-hearted injury to Canadian society.

The minister has admitted that this plan will require double the number of employees to administer it, if I remember correctly, that is from 730 to 1,470 but I could look that up. I know it will be twice as many. I say to you, Mr. Speaker, and to hon. members of this House that from the experience we have all had, we know that if the minister has estimated the number of employees to be double we can be sure that it will be double that by the time Parkinson's law takes effect. Instead of some 1,500 employees administering this plan, we are more likely to have 2,000 or 2,500 and the costs will go up and up.

What is much worse is that families in Canada will be under constant pressure to send in new information and applications and the red tape by which they will be tied will be staggering. This is another reason we cannot accept this bill, Mr. Speaker.

As the Prime Minister (Mr. Trudeau) is so fond of saying as he goes across Canada, this is a very great country. We have a great people in Canada, perhaps not greater than any other country but a very great people none the less. Our people have produced great wealth in this country but what has been wrong has been that the wealth with which we have been endowed and that the people have produced, has not been equitably and fairly distributed.

Some hon. Members: Hear, hear!

Mr. Lewis: We have grown from a country which only a few years ago had a gross national product of $31 billion or $32 billion to a country which today has a gross national product three times that. We have a more educated and skilled people than most other parts of the world. In fact, as I have said on a number of occasions, we have a country where Canadians can realistically dream of greatness because we have the resources for it. It only requires courage and imagination to produce that greatness and to get the Canadian people to work toward it. In order to induce that kind of commitment to our country, all the people of Canada have to be given a sense of involvement in society, a sense of getting their fair share of the wealth and income that they collectively produce, and that ordinary social security programs will adequately take care of the upbringing of the child.

I want to say to the minister that the $15 or $20 does not come anywhere near the cost of raising the child. On the

basis of the standard health rules, food is calculated as costing $27; shelter, $15; cloting, $7, minimal; dentistry, $2, making a total of $51 a month to bring up a child. I am doing this from memory, but I am sure I am not wrong. Those figures do not take into account toys, treats, educational material, transportation, games or anything else, so that even the $15 or $20 that is suggested in the bill and in our view should be made universal, does not come anywhere near the cost of raising a child.

If we make the $15 or $20 universal across the country—and I would prefer that it be higher—then we give encouragement to the person who works in a plant and has managed to get up to a wage of $3 an hour. This is all he needs to have in order to get an income, depending on how many children he has, that will take him out of any meaningful contribution on behalf of his child or children. There are now hundreds of thousands of Canadians with those skills, and the person who works in an office or has finished university or college and is able to make $7,000 $8,000 or $9,000 a year and is bringing up a family deserves the assistance of a decent family allowance benefit. If those families are given at least this modicum of assistance for bringing up their children, there will be a new spirit toward the community, toward our society and toward building the great Canada that we all, collectively, can build.

If one considers this bill from every point of view, I suggest that it is wrong. If we consider it from the point of view of social philosophy generally, from the point of view of the idea behind family allowances, from the point of view that it will deprive children now getting social welfare assistance of even the benefits put forward in this bill, from the point of view that large numbers of middle income families will get nothing out of this legislation and from the point of view that the administration of this bill will present an administrative nightmare, I submit to you, Sir, that, if we think about it carefully, all of us in the House ought to tell the minister to go back to his office, convene his mandarins again and tell them to bring forward a sensible and humane family allowance proposal in place of the monstrosity we have before us.

• (1540)

For that reason I move. seconded by the hon. member

That Bill C-170 be not now read a second time, but that it be resolved that in the opinion of this House the government should give consideration to the introduction of legislation amending the Family Allowances Act and the Youth Allowances Act to provide for a substantial increase in the allowances paid thereunder, for continuing the principle of universality, and for related changes in the income tax legislation.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am happy to speak today on Bill C-170, an Act to provide for the payment of benefits in respect of children.

It is, I suggest, the privilege and the duty of each member of this House to acquaint the government with the thinking of his constituents about the substance of the bill now before us. I shall therefore call your attention, Mr. Speaker, in behalf of all citizens of Richmond, to the multiple aspects of the family allowances bill.

[Mr. Lewis.]

We all know that the family Allowances Act was passed some 25 years ago and came into force on July 1, 1945.

Incidentally, Mr. Speaker, I am glad to point out that at that time all Alberta Creditiste members voted unanimously in favour of the bill, in 1944.

As the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out a few weeks ago, some election-tinged events surrounded the implementation of family allowances. I should like to quote, if I may, a paragraph from what the hon. member said in 1944. I quote:

You will note, Mr. Speaker, that Mr. Mackenzie King dismissed accusations of electioneering with all his usual skill. That legislative measure was dealt with in the House in June and July 1944. He rose in his place and with his usual solemnity declared: This is not an election promise; I made it clear in this bill that the benefits will take effect only from July 1, 1945 and everybody is aware that an election will have to take place until then, according to the Constitution. Therefore it was not election propaganda. It so happened that the bill was passed in 1944 and that an election took place in June 1945. And the Liberals could say: We succeeded in getting this bill through and you will get the benefits on the 1st of July.

No it really was not election propaganda—definitely not. That's Mackenzie King for you!

Now, we all know that a bill almost similar to the one before us was introduced by the government during the last session. It was Bill C-264. It sank into oblivion at the end of the session and the government would like us now to pass Bill C-170.

Nevertheless, there is something that worries me: in the previous bill, it was clearly stated that Canadian mothers would get the extra family allowances on May 1, 1972. In Bill C-170, no date is mentioned.

I believe the government is considering the possibility of an election taking place at an early date; thus it will not be able to pass the family allowances bill and will use that for exclusively political purposes.

I can see the government members saying to their electors: Elect us and we will see that the family allowances bill goes through.

Mr. Speaker, some members opposite are shaking their heads and one of them even said—

An hon. Member: The people know—

Mr. Beaudoin: —the people know. Perhaps I agree. It is why I say that because each time this bill is delayed the mothers are losing a substantial income.

Mr. Speaker, I admit that I am very much concerned about the constitutional aspect of this bill. I cannot understand why the Quebec government allows this breach of our constitution to perpetuate and waives a genuine right.

I would like now to quote from a speech of my colleague the Creditiste member for Champlain (M. Matte) who said in this House on March 27 last:

They will say: That is once more a very particular opinion which does not reflect reality. But I would like to prove it by reading an editorial from the newspaper *La Presse* of Thursday, March 16, and I quote:

The former deputy minister for intergovernmental affairs in Quebec—

That is a man who has served under three different regimes in Quebec and who must know quite a bit about such things.

This is an agreement between the prime minister and a provincial premier and not between two governments. Here is what Mr. Morin has to say:

—if the "administrative compromise" proposed by Ottawa were accepted by Quebec and then sanctioned in constitutional legislation, the Province of Quebec would then formally recognize a right to which the federal government is not entitled in the field of allowances. Mr. Morin even voiced the opinion that mere agreement from the premier of Quebec to Ottawa's proposal would be sufficient, in the absence of constitutional legislation, to establish a precedent.

According to Mr. Morin, when all is said, there is more cause for concern than for celebration at the moment if the recent federal proposal is looked at closely. There is a danger that this proposal could annihilate all progress made by Quebec in the constitutional field and postpone for ever the basis of Quebec's claims which is a true sharing of powers.

Mr. Speaker, this is what Quebec wants: an adequate and fair sharing of taxation powers. That is what Quebec wants. As for us, we advocate decentralization in that area so that each region of this country may be allowed to administer itself better.

Mr. Speaker, we all know that Canadian taxpayers are going to take the money which they are given, no matter where it comes from. Nevertheless, we are renewing in this bill a past mistake and infringing upon a provincial jurisdiction.

Once again, these criteria should be reviewed when constitutional conferences convene and I think the time is long overdue for the federal and provincial governments to determine once and for all their respective powers.

• (1550)

I agree of course on the proposal to increase family allowances. I profoundly regret however that the government, if it intends to infringe upon a provincial jurisdiction, has tabled a bill that only raises family allowances by a few miserly dollars and to the benefit of only a few.

Indeed, family allowances have actually decreased since 1945. The cost of living and the average wage are conclusive proof in this regard.

In 1945, the average weekly salary was $32 and it was $132.72 in 1970. So, Mr. Speaker, there has been more than a 300 per cent increase while the average rate of family allowances went up by only 15 per cent. Not only is this unacceptable, but it amounts to a glaring inequity against large families which have to contend with the prospect of an income that is becoming, by the day, more incompatible with the cost of living in Canada in 1972.

Bill C-170 provides for payment of a maximum of $180 per year for children of 12 or under, and $240 per year for those from 12 to 18. This is both laughable and deplorable. I think that if the government stuck to the average salary principle, it should pay a minimum of $257 for the first category, and $334 for children from 12 to 18. This would at least help restore some balance in the family income, taking into account the average income level at present and the cost of living index.

So, the government is just making fun of Canadian families, and does not even offer the rate which it established back in 1945, considering the cost of living index and wage levels. It is giving less and less.

I am aware that we have serious problems in Canada. We are unfortunately the second largest country in the world. Canada has only some 20 million inhabitants, and we face serious problems. Thus, we know that it would be easier to give a list of minerals we do not have than of those we do have. Mines are closing down.

Our land is so productive that western farmers have to stop sowing and are paid for so doing, because grain production is too high.

Here, in eastern Canada, we also face serious problems. We have too much milk, too much butter, too many shoes, too many textiles—too much of everything, really. What is scarce in Canada? Money!

Our fishermen have so much fish available that fishing has become unprofitable, because prices are too low. We even allow other countries to come and catch our surpluses 12 miles off our shores.

Our forest industry is also faced with a serious problem. We have so much hardwood that we have to grant other countries leases which allow them to come and exploit our rich forest for indefinite periods. The same problem arises in connection with our soft wood. We have too much of it. So, mills such as those in Trois-Rivières and elsewhere in Quebec have to close and lay off workers.

Mr. Speaker, I would continue for hours on end in this manner. We have much too much of everything and, because of that, there are thousands of unemployed. And the government will not increase family allowances for fear of increasing too much the buying power. Consequently, goods remain on the shelves in the stores and plants shut down.

The government permits these allowances to be reduced more and more; compared with the average income, the rich get richer and the poor get poorer.

The day is coming when our empoverished people, unable to find employment, will be faced with only one solution: to beget children. This plan is so discouraging that, when one thinks of it, either one laughs or one cries.

And, in addition to that, Mr. Speaker, payment of family allowances will be made on a selective basis, under Bill C-170. With this bill, we are re-enacting the absurd principle of depriving almost 40 p. 100 of all Canadian mothers of the allowances they now receive.

There are several aspects to this selectivity. First, we have the moral aspect. Every Canadian mother considers the family allowance cheque she has now been getting for the past 25 years as her sole personal income. I believe that for most of them, that money is the only one they do not have to wrench from their husbands. They do not have to beg month after month for that cheque which they receive on behalf of their children. To take away that cheque, whatever may be the husband's income, is absolutely unfair. This money represents a small measure of financial independence for them, but now, as I said a while ago, almost 40 per cent of those who do receive this cheque now will be deprived thereof.

The government will undoubtedly maintain that only the rich people will be affected. This is quite untrue, because under the new legislation, the gross income of both spouses will be added to make up the basic family income used for the computation of the allowance. People in Asbestos, Bromptonville, Windsor, Weedon, Disraëli, Richmond or anywhere else who earn $6,000 yearly can

hardly make both ends meet with four or five children at home. If one day the wife decides to help her husband by accepting a job in a restaurant which will bring in an additional $4,000 a year, then this family will no longer be entitled to family allowances.

I think that it is unfair. By introducing this selectivity feature, this government is running counter to its own statements. At this stage, I should like to quote the Comments and Recommendations made by the Canadian Council on Social Development on the Family Income Security Plan proposed in the federal government's White Paper of 1970, entitled "Income Security in Canada". This is a statement of policy which was published in 1971. I quote from page iii:

The Council believes that:

(a) (p. 10) Family allowances should be universal, paid to all families with dependent children as a social right thus avoiding divisiveness among families and any element of stigma. The present program—

This concerns the Family Allowances Plan.

—has this feature but F.I.S.P. would eliminate it.

This openly reproves the switch from universality to selectivity involved in this bill.

Further, on page 10 of their same document, one may read, and I quote:

Family allowances should be universal: i.e. paid to *all* families with dependent children. As such, they would be accepted as a basic social right and would avoid the division of these families into the "haves" and the "have-nots", eliminating any element of stigma in receiving the payments. This result is certainly evident in the present family allowances program in which the entire "community" of such families participates.

Mr. Speaker, in almost the same terms, the statement from the National Welfare Council, published in April 1971, on page 18, reads as follows:

The proposed Family Income Security Plan is very similar to the Old Age Security and Guaranteed Income Plan because it suggests that couples with children who are better off will finance the increase in benefits paid to "have not" families. Obviously, this explains why this should not be expected to solve the problem.

It must be noted that the National Welfare Council was established by federal legislation.

• (1600)

The government thus makes a clear distinction between the rich and the poor. Those who will receive the family allowances are the poor and the others the rich. Is that the just society of which we have heard so much? Is that the just society about which it is said that proper legislation will be passed in order to finally set it up?

Mr. Speaker, why was the universality principle done away with? Some might claim that it would have been too expensive to do otherwise. So, instead of forever having to start all over again, why did the government not simply bring in a universal plan regarding the changes we are now considering? And there was no need to worry. Through taxation it would have taken back from the rich what would have allegedly been overpaid. It would have had only to declare that family allowances were taxable income. Mothers would also have been able to keep their cheques and we would have had an appearance of equality in Canada.

[Mr. Beaudoin.]

I am against this principle of taxation, but as long as we are reasoning about the system, we might as well go the whole way. Here, it should primarily be admitted that the family allowance cheque should be considered as strictly belonging to the mother who gives birth to the child.

Furthermore, it would be well to point out that the bill does not provide for automatic increase in keeping with the cost of living. It would therefore be necessary to repeat every two years the process of adjusting family allowances to the cost of living and there will always be a lag for Canadian mothers regarding the income they receive under the family allowance plan, which is most unfortunate.

It is urgently necessary that family allowances be considerably increased, as the inquiry on poverty in Canada has irrefutably demonstrated. The inquiry established that poverty does exist in Canada, although we have a surplus of everything, as I was saying a few minustes ago. According to the report of the Special Senate Committee on poverty, the total poverty rate in Canada is 25 percent, representing almost five million Canadians who, according to the report, are considered to be living in poverty.

At this stage of my comments, I should like to quote a few extracts from the said report, as follows:

The welfare system, at all levels, costs Canadians more than six billion dollars a year, yet it has not significantly alleviated poverty let alone eliminated it. The problems grow; costs go up and up and will, in time, suffocate the taxpayer. The welfare system is increasingly unable to deal with the needs of its clients. It has failed to achieve its humanitarian goals. It deprives its recipients of dignity and provides no incentive or rewards to escape from poverty. It has become punitive and demeaning. It is a mess—a social wasteland and an economic morass.

And the report states further:

Working Poor

Sixty per cent of the poor are not on welfare. They are active members of the labour force, working for little more, or, in some instances, less than they would receive on welfare. For them, there is not even the semblance of social justice. There can be no good reason for their continued consent to a political, social, and economic system from which they receive so little.

Can we afford to maintain a system where going on welfare is more profitable than going to work?

Mr. Speaker, poverty is certainly an inadmissible curse in Canada.

In *La Presse* of Tuesday, November 11, 1969, one could read that milk consumption was decreasing in the province of Quebec. Why? Because mothers have no money to buy any. Meanwhile, farmers are penalized for producing too much milk. Every care is taken so that Canadians do not receive too much money. Incomes are definitely insufficient in Canada. All those citizens run into debt and so does Canada.

In *La Presse* of March 9, 1971, one could read, and I quote:

The indebtedness of Canadians with banks, stores and finance companies has increased by less than 5 per cent for the year 1970 and this raise in consumer credit has occurred only during the later half of that year—

As compared to 1969, when the indebtedness had undergone an increase of 14 per cent—

Personal unwarranted loans from chartered banks, the most common type of borrowing, have increased from $4.1 billion to $4.6 billion during the year—

Unsecured personal loans went from $1 billion to $1.2 billion, whereas loans against insurance policies rose from $660 million to $745 million.

For 1970, total consumer credit would therefore have amounted to about $11.3 billion.

In the same newspaper, under date of June 16, 1971, one could find the following:

28 per cent of the family budget is spent on debt reimbursement.

In Quebec, indebtedness is a virulent social sore. It exceeds the total government budget of $4 billion, for consumer goods only, said Mr. Normand Caron, of the federation of family savings associations at the annual assembly of the Quebec women's co-operative association.

One has no idea of the disasters it engenders for the individual or the community, stressed Mr. Caron, saying that the percentage of the family budget put aside for debt reimbursement rose from 8 per cent in 1955 to 28 per cent in 1969.

According to the speaker, indebtedness puts the individual in a state of insecurity and tension and often leads to family disintegration on account of conflits it brings about between husband and wife.

Mr. Speaker, after such quotations, I do not believe it necessary to be an economist to realize that the Canadian people urgently need money and that the government has none. At least, so are we told. But, what is the government if not all the Canadian people?

In 1961, our gross national product reached $39 billion, or $2,143 per capita. Now, with all the sophisticated production facilities available, and also because the Canadian people work hard to succeed, our gross national product amounted to $84 billion in 1970. This means that our production capacity, which all Canadians should share, has more than doubled in 10 years.

Statistics show that the total income of Canadians, that is their purchasing power, amounted to $29 billion in 1961, a difference of $10 billion with the gross national product for the same year.

In 1970, the total income of Canadians amounted to $66 billion compared to a gross national product of $84 billion. As we can see, the gap is widening from year to year even though unemployment is increasing. How can Canadians manage not to get into debt when they only have $66 billion to purchase a production of $84 billion?

And we are aware of the current problems: unemployment, violence and poverty in the midst of an almost miraculous affluence. What are our problems? First, there is that of wealth distribution. This is a problem of justice and the government should take this opportunity to start once and for all distributing our wealth and helping the Canadian mothers by establishing a just society.

Why is the government so stingy when it comes to enabling Canadians to take advantage of their country's production? This is nonsense in 1972. There is no reason why family allowances should not be doubled and paid to all Canadian mothers. Even then it would not be enough, but it certainly would be a right step towards this just society I mentioned before and which everyone is yearning for.

What does the increase of $150 million that the minister was so proud to announce mean, when compared to a gap of nearly $20 billion of products which our wages and incomes do not allow us to buy?

They say that there would be inflation, that the value of our money would be reduced, that it has never been tried before, and so on. I do not believe so, Mr. Speaker.

My colleague, the honourable member for Bellechasse, proved on March 27 that this had been tried in the United States by Abraham Lincoln, more than a hundred years ago. As we already know, this great president of the United States, born of a humble but respectable family, contributed a great deal to the development of the United States, even though he was not an economist.

If I may, I shall quote a few lines from what my hon. friend had to say in this respect, as attendance was sparse in the House when he made his remarks. I quote:

International finance at that time had taken possession of America as well as Europe, keeping constant watch over its positions. One man dared one day insult it. He had to pay with his life. It was, I believe, the greatest president of the United States.

He was the son of a settler and never had the chance to go to school. But having learned to read from his mother and having studied law at night, after his hard day in the woods or in the fields, Lincoln finally became president of the United States at a critical time when the North and the South were at war.

Gifted with a staunch common sense and led by an unequalled rectitude of mind, Lincoln considered that if private banks make money and have people accept it, while passing it as debts, a sovereign government could make it as well and give it at least the same flexibility. So he asked Treasury Secretary Chase to float successively three issues totalling $450 million in 1862-1863.

In 1938, after a legal fight between financial powers and the government, $346 million were still in circulation, and had the same value as bank money.

Better still, contrary to the bankers' debt money, Lincoln's "greenbacks" did not saddle the United States public debt with one single dollar.

Had this issue come through the ordinary channel of banks, it would have increased the United States public debt from 1863 to 1938 by $10 billion, including compound interest. Were all their money issued by the government in that way, the United States would have no public debt.

The same can be said about Canada. The very existence of a public debt is the evidence of a defective system, of the money being corrupt right from the beginning.

• (1610)

I think that this is a very accurate statement and that we will never bring into effect distributive justice in Canada if we do not alter our indebtedness system by which the rich gets richer and the poor poorer; not the rich man who works, no, but the one who puts his money to work. In the winter, he basks in the sun on the southern beaches and in the summer, he lazes around our lakes fishing now and then, and in the meantime the worker pays exorbitant interests of 8½ or 9 per cent for the fun of it.

In closing, Mr. Speaker, I would like, as soon as this bill is referred to the relevant committee, that it be amended so that family allowances can be paid to mothers according to the cost of living and to the principle of universality.

Mr. Speaker, I greatly enjoy criticizing the government, but I do not like to criticize for critic's sake. I would like here to enlighten my fellow members. We, of the Social Credit party, claim to have imaginative solutions which would not be a cure-all because it is very hard to solve problems, since all money matters are by themselves somewhat difficult to tackle in view of the fact that money or the monetary system is always extolled by men. Since

man is not infallible, every monetary system has its problems. I do not give this expression the same meaning as does our Prime Minister (Mr. Trudeau), but I suggest that we should have a more just society and we should start, right this minute to reorganize it on a sound basis.

Moreover, I think that this bill is extremely difficult in terms of its administration and accounting system. All benefit scales are variable: the number of children, their age, the couple's income level or even that of single parents, what is and is not an income, and so on.

I believe that all the troubles arising out of the legislation now before us are almost identical to those of the new unemployment bill we have recently passed. Problems arise every day because of the intricacies of this legislation.

I think that we should look upon the new unemployment insurance act as an example and that the difficulties it is causing should warn us against passing another one like it.

We, of the Social Credit party, have the solution, I believe. And it is unfortunate that there are still people like us who are always suggesting worthwhile solutions to the government. But they do not want to understand. They do not want to amend an act which they recognize, which some of them recognize, as being obsolete and because this act was drafted by some officials, no changes are allowed. Even when we point out the flaws of a bill, the government will never want to make any change.

I am sorry for all those Canadians who have to submit to such a system. One of these days, and maybe sooner than the members opposite think, people will realize how irresponsible is the system under which the present government has held them, and will become aware of the quagmire of hardships and injustice in which they are still being kept back.

[*English*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to say a few words about this very important measure. I will not indulge in rhetorical repetition because that kind of repetition is no more valuable than most types of repetition.

I listened with great interest to the speeches delivered this afternoon and I support the remarks made on behalf of my party by my predecessors, notably the hon. member for Simcoe North (Mr. Rynard) and the honourable and gallant member for Humber-St. George's-St. Barbe (Mr. Marshall). I listened carefully to the leader of the NDP who brought forth some very powerful arguments. I found myself less in agreement with the hon. member of the Social Credit party, although I agree totally with what he quoted his colleague as having said about the great Abraham Lincoln. That was not the only part of his speech with which I found myself in agreement. There are parts of this measure which are troublesome. I think every member of this Chamber realizes that something must be done about this sector of our social legislation, if I may call it that. We realize that gross and grave inadequacies have crept into the whole family allowance sector. So, to the extent that something is being done, even though at the eleventh hour, we are naturally in agreement.

It is a shocking thing, as other members have said, that in this country, so well endowed, so much poverty stalks this rich land, and that so many people have great difficulty coping with the day to day economic needs of themselves and their families. I am always struck and pained when I look upon the legislation in this country and use the gauge which the present government always uses in respect of affluence. I am sure that every member of this Chamber knows of countless veterans and old age pensioners who, day to day, are faced with the limits set by legislation. They write to us and ask, "Do you really think we can live with the amount which is listed as the ceiling for income?" I am sure that most of us know in our heart of hearts that they cannot live on those amounts which the cold bureaucracy has assigned to the citizen of Canada, whether he be a war veteran or an old age pensioner. They have so much and, therefore, they cannot get more. It is this definition of affluence that disturbs me.

I am worried, too, about something else. No matter how we camouflage it, no matter how many euphemisms we use, we are back again to the means test. You may call it something else, but we are back to the stage in this legislation where the citizen must go before some emanation of the state and give proof of poverty. I am just old enough, and I am not by any means the oldest man here being the same age as the Prime Minister (Mr. Trudeau), according to a revision, to remember when the old age pension was attached to a means test. I remember all the frightful and humiliating arrangements which had to be made, with old people turning over their properties to their children, thinking this was only a token matter and everything would be fine. Many of these poor souls discovered later on that this was not a token matter, and unless they proved their poverty they ended up without their little farms or small holdings.

I am never at ease with any form of means test, and this measure troubles me. I wonder whether in looking at this legislation in general terms, and it has been well examined in all its particularity, we are not obviously here shifting some of the burden of society from one sector to another. It seems to me quite clear that we are increasing the burden on one sector; that sector which we might roughly and loosely call, and I am always leery about sociological definitions, the middle-class sector in economic terms. We are doing a little more than that with this legislation. We are laying an extra burden upon the middle class people with children because those without children do not feel any pinch from this.

• (1620)

Another thing which disturbs me is that while this bill may be presented—there is a certain amount of truth in this which the hon. member for Richmond (Mr. Beaudoin) mentioned—as representing a burst of new-found generosity, we all know when we examine it, even in the most perfunctory way, that the family purchasing power today is not what it was in 1940. So, let no one delude himself or the people of this country with the suggestion that we are moving into a great era of generosity. Another thing which troubles me is the growing ad hockery of the whole legislative program of the present government in reference to social welfare. We have this program, that program, and inconsistencies all across the line. In respect

of medicare, there was the utmost rigidity of formulae. Then, when we come to other techniques, we have all sorts of flexibilities which are sometimes so inflexible as to be incomprehensible.

My colleagues from all parts of the House, certainly from the opposition parties, have dilated upon the bureaucratic jungle which confronts not only the bureaucracy, which may be more familiar with that sort of thing, but also the victims of that hodge-podge. I am sure the cost of administering such a program will be absolutely enormous. We will have more and more agents of the state dealing with the citizens of society. This is, of itself, surely not a trend which people should recommend. The civil servants perform a fine role in society and most of them who I know are very fine people, but to advance the principle that there should be more and more emanations of the state dealing with the citizens is something I find not altogether welcome. I find, too, that there are areas in which we lack information. We do not know the whole story of the family allowance pattern or what will develop in reference to the new agreements we read about and have not been fully told about with one of the provinces. What does this mean for the future?

Another thing which always troubles me is that the human species fails to learn lessons which have been referred to in this Chamber and in committee each year time after time in respect of the inequities built into our old age security legislation because there is no automotic escalation for cost-of-living. Here we have another piece of legislation which would lead us to believe that this problem had never been brought to anyone's attention. This is another problem which faces us. I was impressed with what the hon. member for Richmond said about this piece of legislation being a callous, insensitive lack of appreciation for the role of motherhood in this society of ours.

I received a very interesting letter from a person who is obviously very intelligent, a mother of three children. She wrote some very cogent comments. I should like to read from this letter and, of course, since I read it, I endorse it:

> One might logically decide to finance our war on poverty by taxing some of the more overpaid professions. But who could possibly believe that motherhood fits that description?
>
> If there is any proposition which I have considered self-evident, it is that a mother earns every nickel of the family allowance. Yet the family allowance is commonly referred to as a government hand-out. And while in most areas of housework one can argue that a mother is working for herself, child care is the area where her contribution is undeniably to society as a whole.

Surely, if we have not abandoned completely our concept of the home and the mother, we would agree with that. What troubles me about this legislation is that someone has the idea that you take away something from many sectors of society and then you give that to help the others. I could perhaps embrace the idea of making a contribution to those who are clearly in need, but I cannot accept the idea that we should give the existing family allowance to a woman because she is poor and not because she is a mother, a mother of the children of Canada. I do not think it is at all progressive legislation to do otherwise. My correspondent, whose fine arguments I admire very much, goes on to say:

> I am thinking of a friend of mine who has six children living at home, the eldest (age 20) attending university here. She no longer receives youth allowance for him of course but nevertheless she is getting over $400 a year in family and youth allowance, soon to be cut off. They can ill afford an extra bite like that, she counts every nickel.
>
> And here is the clincher.
>
> The childless couple next door to them, both working, are promised a 3 per cent tax reduction.

If that is the just society, I am Genghis Khan and I do not look like him at all. The Royal Commission on the Status of Women did not recommend this sort of finagling with the family allowance. It recommended that there be a higher universal family allowance. This group of people were commissioned to make a careful—and I believe they did—study of the status of women in our society, and this was the recommendation which issued from that illustrious group. I have heard someone say that the possibility of the system working is highly remote, and that if any citizen, after it got under way, could work his way through it he would deserve an extra bonus of some kind. I do not see that in the legislation. The hon. member for York South (Mr. Lewis) spoke about the farmers. Many of my constituents are lobster fishermen. There is no way under Heaven one can predict that 1973 or 1974 or 1975 will be good years. There will be tremendous variations in the income of these people and the burden they will have in this constant calculation to qualify before the state for a certain level of assistance will become, as many people have said, a nightmare, a costly inequitous one and I am sure an unnecessary one.

Legislation should not be designed to be as complex as possible. The law should be as easily comprehended as possible. But, especially under this government, there would seem to be a desire to make the laws as sophisticated as possible. The bills before us are becoming longer and more difficult to comprehend. I do not know, is it McLuhanism? What is happening that we can no longer have a piece of legislation before us which says in more or less clear terms what it means? But I am also troubled about this legislation, and I always feel this about the means test, because it does not leave too much room for incentive.

• (1630)

The Ottawa *Journal* editorial of September 9, 1971, was a very good one, I thought, and I will quote part of it:

> —But doubling family allowance cheques represents only a little levelling of the valley between rich and poor. The real challenge is to provide greater opportunity for more Canadians in their own land. The very need for larger family allowances and the growth of the unemployment rolls show how far that challenge is from being met.

I feel troubled about the legislation. I think this government and this parliament can do a much better job to cope with a very important problem. I think that in recognizing it as a problem we are not divided. We realize that there is a challenge for something to be done but we are terribly disturbed—certainly, I am disturbed—by the fact that, when action has been decided upon by the government, we have so much diffusion, confusion, and built-in distortions, iniquities and inequities which, I am afraid, will result in a most inadequate response to a clear and present social problem and social challenge. I think that

changes are called for and changes are needed. While we know that something must be done, while I do not withdraw from anything which my colleagues have said in speaking for our party, I still think that there is tremendous need to look at this matter and see if we cannot inject into the legislation a little more simplicity and straightforwardness and, much more important than that, a little compassion, a little consideration, a little regard for the families of this country, and that we do not go too recklessly ahead in taking away from one group of citizens in the hope of improving conditions for another. The thing to do is to improve conditions for both, and that is what I invite the government to do.

[*Translation*]

Mr. Ovide Laflamme (Montmorency): Mr. Speaker, in speaking for a few minutes on the amendment proposed by the hon. member for York South (Mr. Lewis), I would simply like to make a few remarks in the light of the speech he made earlier when we proceeded to government orders.

I would like to say how surprised I was to find that in such a proposal coming from the leader of the NDP, some people saw a purely demagogic attempt to try and establish the principle of universality in regard to family allowances.

When, on the one hand, the theory which he expressed earlier tends to show that too many people receive more from the government, and on the other hand, under Bill C-170 introduced by the Minister of National Health and Welfare (Mr. Munro), we try to give poor people greater assistance, I really fail to see and understand the substance of the amendment proposed by the member for York South, particularly when he tries to establish the principle of universality—which, in my opinion, reflects his complete irresponsibility in matters of social security and administration.

When, as was the case a moment ago, it is contended that the first concern, when passing social security legislation such as that dealing with family allowances, should be the needs of the recipients, I suggest that this is a distortion of the concept of social security. Such legislation was never conceived, and logically cannot be conceived to correspond directly to the needs of recipients, without taking into account the government's disbursement capacity.

As the hon. Minister of National Health and Welfare (Mr. Munro) realizes, every dollar added to family allowances for Canadian children would create an extra load of $80 million a year for Canadian taxpayers. It is also understandable that the principle of universal family allowances, established, as suggested by governments, at $15 a month for children under 12 and $20 a month for children up to age 18 would, if applied, represent close to $1 billion more in family allowances than the system recommended by the New Democratic party. And of course there is no mention of increased taxes, no indication as to where the Canadian Treasury could obtain these additional funds.

I sincerely believe that it is unmitigated demagogy to oppose such basic legislation which corrects past inadequacy and attempts to give more to those who most need it, to push an amendment calling for universality of family allowances, to stir up regrets of those who will be losing their family allowances owing to force of circumstances, although the reasons therefor are well explained in the bill and indicated in the speech made by the Minister of National Health and Welfare. And I really do not see that anything serious can be added to the suggestions and proposals already brought forward.

Before considering carefully the proposed corrective measures designed to improve the family allowances plan, one must first say that the government intends to spend $150 million more in this area. And how does it go about it? Well, quite simply, by extending the age of eligible children from 16 to 18 years, by increasing the allowance to $15 for children of 12, and to $20 for those between 12 and 18. This will cost $150 million more, since the birth-rate in Canada has dropped sharply and it is the government's duty to promote the birth-rate through an effective family allowances plan.

Of course, some heads of family who earn over $10,000 a year will no longer be eligible for family allowances. Those may be the families which the leader of the New Democratic Party tried to pit against the government, when the latter attempted to fight poverty through social legislation.

In my opinion, instead of fostering the hatred for the government of those who might lose their family allowances the New Democratic Party might have commended the government for having the courage to introduce a measure really designed to help the most needy in our society.

• (1640)

It is all very well, Mr. Speaker, to resort to all means, as the extreme right party is attempting to do. The hon. member said a while ago that they always wanted to double, multiply and remultiply social welfare measures because the money problem never did exist for them. Therefore, they can solve all issues this way.

Now, it seems to me that, before saying they will introduce welfare schemes, people who believe in reasoning, in thinking things over, and specially in making serious-minded people think things over, should be aware of our ability to pay. And if we do not have it, whenever they ask for new welfare measures, they should have the courage to say who will be taxed more in order to pay for those welfare measures, if they do not want to slip into the habit of the extreme right party—take out the "money machine" and print all you need.

There is no other logic than that, Mr. Speaker. Therefore, coming back to that philosophy, it is always the same thing in Parliament: whenever the government introduces a welfare measure, whenever they decide to give another $150 million for the families who need it most, we can see the opposition members rise in their seats. They would like the amounts to be doubled and tripled but they do not say who will have to pay.

Therefore, if we follow the thinking of the New Democratic party, we would have to find from $400 to $500 million more to apply universality to family allowances, unless they actually say that $15 per month for children

up to 12 years of age is too much, or else that $20 per month for children from 12 to 18 is still too much.

Now, if those two scales are to remain the same, it would cost from $400 to $500 million more to apply the universality principle to family allowances. I should like the New Democratic party, which in spite of that is proposing an amendment to this important bill, to tell us where it will get the extra $400 million and from whom through taxes. Then it will show that it has courage and stands behind its actions and is not only indulging in the sad demagogy that we witnessed a while ago.

Mr. Beaudoin: You are aware only of the tax machinery.

Mr. Laflamme: I did not understand the remark of the hon. member for Richmond (Mr. Beaudoin). I believe that a while ago he read a speech that was prepared by somebody else, but I should like simply to point out to him that I am not very much in the habit of overtaxing the kindness of hon. members, as do the hon. members from the extreme right while taking the floor in and out of season and saying a lot of things that do not get us anywhere.

For instance, while a bill such as this is under consideration this afternoon in the House and irresponsible speeches are made, I think that instead of keeping listening to them, my duty is to tell some of them that they should have enough courage to talk with responsible people in their ridings and at least abide by some logical reasoning if they want the debate to progress.

For once in the whole history of social security legislation, we are going to make a correction by preventing, through adjustments which will take into account the number of children in a family, people with an annual income of over $10,000 from receiving family allowances, which will instead be paid to low-income families and to children who most need them.

This is justice and redistribution. Of course, a party which is preparing an election and wants to please the voters must try to prove that those who will lose their family allowances have cause for complaints and to say, as the NDP leader did earlier, that this will give nothing to the children depending on welfare.

It is a fact that welfare recipients come under the jurisdiction of public agencies. Naturally, whether they get $15, $20, $25 or $30, the public agencies will keep on meeting their needs and paying for their education. In a province such as Quebec, which I know very well, monthly family allowances of $15 or $20, those we are talking about, will be paid to all children. This will have a beneficial effect on the social welfare budget because when $15 will actually be paid instead of $8 as before, or when $20 will be paid instead of $12 to large and needy families, this will substantially reduce the taxpayers' burden.

In this connection, I did not understand the flights of oratory of the hon. member for York South, when he suggested that the children on social welfare will not be getting a cent more. In my opinion, this is playing with words. It is like an old man who is being cared for in an institution. Obviously, even if the old age security pension is increased, he may not get more since part of his needs are provided for in the welfare budget. This does not mean, however, that what is involved is not clearly and in a secure manner—because this is a time to talk of security—the assurance of greater government assistance and of a healthier and fairer redistribution of family allowances, particularly in respect of children who most need them.

I say it again, Mr. Speaker: as long as we take the time, in new social security legislation like the bill we are going to pass, to correct errors and to use government resources to better advantage, the taxpayers' money will go to the children, to the classes in society, who most need it.

Without trying to give a lecture, I would say that this does not meet the vital needs of children. There are two well-defined approaches in this matter: the first whereby, subject to the state's paying ability, the riches are redistributed to the people who need them most; the second, which is unacceptable, whereby we should pay the full amount of the allowance to those who need it most.

Indeed, those who favour the second approach do not hold the responsibility of imposing the necessary taxes, so much so that, in general, the workers are evidently overburdened with taxes.

• (1650)

And if it is intended to earmark—because it is difficult to fall back in such a system—an additional amount of $400 or $500 million, those working sectors of society will, of course, have to sacrifice part of their income.

A disagreement might arise between the New Democratic party and the Liberal party when the enforcement of this measure by the Liberal party will mean that household heads earning in excess of $12,000, perhaps as a result of the number of their children, will cease to receive family allowances.

They will claim that an income of $12,000 a year is insufficient for one's livelihood or maintenance. This is a matter of interpretation, but I think that the people are able to judge by themselves.

I, for one, have convened forums in my riding to discuss this question. Those people earning $12,000 a year, or more, are normally capable of understanding the rationale behind this new legislation and even though they cease to receive family allowances, they are told by those who earn $8,000, $7,000, $6,000 and $5,000 a year: If I earned $12,000 a year, I would not need family allowances since that income would be sufficient.

In concluding my remarks, I would only say that we can go on making speeches and resorting to demogoguery on this question, but we should this once try and point out the correcting element of this bill. This characteristic should also find its way in all other pieces of legislation if we want to avoid reaching a point where the state will rely on individual incomes to try and guarantee complete security and well-being.

I do not think we have reached that economic stage yet. Indeed, we should be honest enough to recognize that if the resources of the state are sufficient to enable it to hand out gifts and donations in the future, the state being now unable to apply the principle of universality extolled by the NDP, has at least brought down essential measures, has seriously rectified the situation, is willing to pay

an additional amount of $150 million and is endeavouring to better help needy families. On this basis, Mr. Speaker, the government and the people of Canada will appreciate the merits of this legislation.

[*English*]

Mr. Max Saltsman (Waterloo): Mr. Speaker, I have a few comments to make on the bill, but before getting into those I should like to deal with some of the remarks made by the hon. member for Montmorency (Mr. Laflamme). I have not heard this hon. member speak very often in this House, but I must say that he is a very able speaker. I listened carefully to what he had to say and I was impressed with his style. But I do want to say, Mr. Speaker, that he has more brass than I have seen exhibited by any member of this House for a long time. I wish the hon. member spoke oftener because he is very good, but I would have been far more impressed if he had not raised the question of whether or not we can afford this program. I would have been more impressed had he argued during the tax debate for a more equitable taxing system to be applied to the mining companies with the same kind of fervour that I argued for the working people of this country. I would have liked to hear him say we should get the money from that source because that would have evoked far more sympathy than his present argument.

I would have been far more impressed if he had talked about the half million dollars going to Quebec under the DREE program rather than saying we cannot afford family allowances or bilingualism or the many other programs. Mr. Speaker, I say that there are many things we can afford in this country. We can well afford to encourage the people of Quebec in industrial development; we can well afford the bilingualism program but we can also well afford to have a fair and equitable arrangement for every Canadian who needs assistance to raise his family. That means everyone, and that is why the program has to be universal.

Let us not forget what the family allowance program is all about. The Liberal party is taking every sensible program that has been brought into being in this country and turning it into a welfare program. Family allowance is not welfare; it is, in a sense, the community saying that the market system distorts the allocation of resources, that our market system is not fair because it does not take into account a man's needs. The system does not care whether he has ten children or no children at all. The purpose of the family allowance is to redress that inequity in the market system, and that redress has to be applied at every income level in our view. The place for taxation is in the income tax scheme. That is the scheme you use to take from those who have more, by which you decide at what level you are going to tax. But you do not take away the family allowance or the old age pension and make people pay into an unemployment insurance fund. If we continue in this path, Mr. Speaker, a new revolt will take place in our society led by the man in the middle income bracket who is being squeezed to pieces.

The greatest enemies of poverty are the people who bring in inequitable programs of this kind. If we are to solve the problem of poverty in Canada, we must enlist the support of those in the middle income groups, those who pay the bulk of the taxes. If they become disenchanted at any stage with the programs designed to combat poverty and feel they are being unfairly treated, that will be the end of any sensible approach to a war on poverty. We are on the edge of that, Mr. Speaker. We cannot say to a man with an income of $8,000 or $9,000 a year and a couple of children that he is not entitled to any adjustment. His own income may only be about $5,000 a year, the remainder coming from his wife who works the night shift in a textile mill in order to meet the payments on the house. Is he to be told that the family allowance does not apply to him? The minister had only so much money, but he had to make this program look as attractive as possible so he took money from one pocket and put it into another.

We feel that if plans of this type are continued, they will destroy the sympathy of the Canadian people who have always been sympathetic to the need for social legislation. A sense of alienation will be created in our society. Just look around and see what is happening. The group that has to pay the cost is becoming smaller; it is no longer a pyramid. The people who are paying the shot are the middle group. They have to support the young who are staying in school much longer and it is costing more to keep them there. They also have to support the old who, fortunately, are living longer. Also, people want to retire earlier with some sort of decent income so that they can live the last few years of their lives in comfort. The group in the middle is being asked to pay for all this; they are willing to pay and have paid.

I am very proud of the people of this country, not because we win wars and other things, but because we introduced the old age pension and the family allowance. This is the greatness of Canada, the fact that there are people in this country who are willing to take from their own resources in order to help others not much worse off than themselves. We must not destroy that willingness; we must not destroy the cohesion of our society.

• (1700)

When my leader was speaking, I looked at the minister and detected genuine surprise on his face. He seemed really surprised because we would not support this bill. I have known the minister for a long time, and have always regarded him highly. I do not like to see him surprised. Probably, he wants to know what happened. I can tell him. Time after time, the members of this party have gone along with measures of which they have not entirely approved. We have gone along with them because we thought it was best. The same can be said for the members of other parties. Even members of the Liberal party have arrived at some kind of compromise on some pieces of legislation. We are now reaching the point where we cannot continue that course; we must take a stand. If we do not take a stand, there is a great danger that what I have alluded to will happen. The ordinary people of our society may no longer be willing to meet the needs of the poor and disadvantaged.

May I now refer to some other debates. When the government froze the old age pension and brought in the guaranteed income supplement, we went along with the bill, even though we were not entirely happy with it. True, in one way it destroyed the principle of universality; however, many in my party were divided on it. Many felt that even though the bill abandoned in large part the principle

of universality, we should support it because, after all, it would give something more to the poor. Some kind of universality was preserved and the poor were to get additional benefits. Those arguments prevailed and we supported that bill. In a sense, that bill preserved some kind of universality.

What has been our experience with old age pensions. Has the principle of universality actually been retained; no, it has not. True, everyone is entitled to the old age pension of $80, but the pension is frozen at that level. Every year, the benefits to old age pensioners provided by that pension are being eroded. Every old age pensioner who does not get the supplement is being cheated. Trouble is brewing in that area. I think we all get letters from old age pensioners who cannot keep up with costs. Such letters are full of bitterness. For instance, some say, "just because I saved a few dollars, why should I be penalized." Others say, "merely because I get a small pension, does that mean that I must fall further and further behind?" That is what these people are saying, and that is happening. Before long such voices will become more strident. Those people will insist on justice being done.

We made a mistake by not insisting that some escalator provision be included in the basic old age pension. That mistake resulted in a basic denial of justice to old age pensioners of this country. I do not want the same sort of mistake to be made with this plan. For some, the escalation of benefits under this plan will be zero. It is interesting to note that the socialist government of Manitoba recently brought down a budget that made provision for a system of educational tax credits. These were geared to income. What is particularly interesting is that there were minimum benefits for all, regardless of income. That plan recognized that we have an obligation to all. People of all income brackets, including people in the lower brackets, were given benefits under the plan. Mr. Speaker, if you want to reduce inequities, the proper way is not by doing it indirectly through old age pensions, family allowances or unemployment insurance, but through the Income Tax Act.

The government's arguments about not being able to raise the necessary money, and similar arguments, do not impress me. After all, the government brought in what it called a progressive tax system which, nevertheless, left wide loopholes open for those who support that party. I am not saying this was done intentionally; nevertheless, it worries me to see that certain taxpayers are provided with benefits that are not available to others. In light of that, one can become pretty cynical about such cries from the other side as, "where are we to get the money?" I would have been far more impressed with what the hon. member for Montmorency said if, when high unemployment figures were mentioned in the House—I am speaking of times when unemployment reached astronomical heights—he had risen in his place and said to the government, "this is wrong; you should not create unemployment in an effort to fight inflation." If he had said that, I would have been impressed. I did not hear him say that.

Since we are talking about costs and where the money will be found, let me mention some figures relating to unemployment. Mr. Speaker, for every one per cent of unemployment in this country, we lose over $1 billion in gross national product, one third of which would become government revenue. As a result of unemployment levels prevalent during the past few years of Liberal rule, it can be said that government revenues have declined by over $1 billion. Mr. Speaker, we kicked away $1 billion. How much money would it take to establish the kind of program we talk about? An equitable program of family allowances for all families in Canada would cost far less than that. This government has been willing to waste people and waste resources. It has created unemployment to fight inflation, and hardly a dissenting voice was raised from the government's back benches; yet, when we want to establish a fair family allowances program, the old cry is heard: "where will the money come from." Oh yes, they say "the NDP wants this; those great spendthrifts over there, they want to establish this kind of program. They want to give money away." I say the government has not been giving it away; it has been throwing it down the drain and no one has benefited.

What the government has been doing we find unsatisfactory. It is dismantling all those programs of which we have become proud. I am not speaking only for members of my party; I think members of all parties are proud of what we have achieved; and, certainly, many Canadians are, too. You know, at one time you could brag to other people by saying, "although your buildings may be taller than ours and although there may be more smog in Los Angeles than in Canadian towns, every old age pensioner of Canada is entitled to a certain pension." That pension was not paid as charity; it was paid as of right. Those people had worked to build up this country. Our older people made contributions to the tax system and through the sales tax. They were entitled to a pension, and their right was our source of pride. We felt the same way about family allowances, and we felt the same pride. Now, that pride has gone. These have all become welfare programs.

I might understand the government's attitude if these injustices perpetrated against people in the middle income group were to be matched by substantial improvements in the lot of the poor. Yet, I am afraid that they are not to be so matched by substantial improvements. What my leader said is only too true. To the extent that you place people on welfare, the welfare system will accommodate them. To the extent that certain payments which come out of the family allowances pocket, so to speak, are to be increased, the payments which come out of the Canada Assistance Plan pocket are to be reduced. When the former minister of labour introduced the amended Unemployment Insurance Act, he said, "Oh yes, we will take people off welfare, because those now on welfare will collect unemployment insurance." He was not wrong. We took people off the welfare rolls as a result of passing that amended Unemployment Insurance Act. What he said was not far from the truth, because that amended act, instead of adhering to the principle of insurance as the previous unemployment insurance act had, became to a large extent a welfare program. This sort of thing goes on and on but there is a limit to how much people are willing to take in this field. Perhaps they are close to that limit now.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, in dealing with changes in the family allowances structure, as pro-

posed under Bill C-170, it might be reasonable to consider the whole question of poverty in Canada and our method of dealing with it. I think we are all aware of the fact that over the past six years the budget of the federal government for welfare has doubled from somewhere around $2.4 billion to $5 billion. We are aware also there have been many programs of one type or another which were originally designed to deal with one phase or another of the poverty situation in Canada. In general, what we have seen has been a piecemeal approach which has failed to come to grips with the real issues and fundamental problems that people below the poverty line face. As a result of this piecemeal approach, we have not reached any kind of a reasonable solution to this whole question of poverty.

• (1710)

I am a little amazed at this particular government which came in with a slogan of which we are all aware, but which they would rather forget. They have been resistant to taking a new and bold initiative in this area of combating poverty, a new approach to the welfare problem and a general re-assessment of whether the old programs have been of any real value in dealing with this whole question of poverty. What we have seen in the past four years have been marginal modifications of this or that old program, little adjustments here and there and tinkering with things that have been ineffective in the past. Under the present circumstances, such actions will continue to be ineffective in the general area of overcoming poverty in this country. As examples of this kind of tinkering, adjustments were made in the old age security program, the unemployment insurance program and adjustments are now being proposed in the family allowance and youth allowance program. In fact, this bill is just further tinkering. It does not really come to grips with the problems that face the country. It is a continuation of a traditional approach which has proven itself to be inadequate in dealing with the problem with which we are faced, namely the eradication of poverty on a permanent basis.

I do not deny that some of these modifications of old programs have, in small ways, had some beneficial effects for some people, but I do not deny that they have had any real significant effect from the point of view of eradicating poverty from that one fifth of our population that is unable to do it on their own. We must consider some bold new approaches. We must take a more progressive look at what really needs to be done to solve this problem or at least give the impression of seriously wanting to solve the problem. I am not saying it will ever be possible to completely eradicate poverty, but it has been shown that piecemeal approaches in the past have failed. Continuation of piecemeal approaches in the future will not likely be any more successful. We need to look at the development of a co-ordinated approach to the whole problem. There should be a co-ordination and consolidation of the various types of programs which we now have. The whole structure should be a more efficient and less costly proposition, certainly from the administrative point of view.

One of my major criticisms of this bill is that it does not come to grips with the problem of an incentive to become self-sufficient, more productive and more capable of looking after one's self and one's own dependents. It is simply a little larger hand-out to a certain group. It is nothing more than that. It would be reasonable to suggest amendments accordingly. I also want to say that, realizing we have to deal with the bill which is before the House rather than the general question of overcoming poverty in this country, I have ambivalent feelings about the bill. I support about half of it and disagree with the other half. This is a problem I have faced in this House on many occasions in the past. You come to the situation of what to do. You cannot vote for each half separately. You have to decide whether or not to vote for the whole package.

We have heard a lot of talk today about the question of universality and selectivity. In general terms, my tendency is to support selectivity. However, I think this bill covers more than the question of whether you support selectivity or universality in the family allowance program. This bill also touches a part of life which I would place in the category of established rights of Canadians, something Canadians have enjoyed for more than 20 years. For this reason, Canadians have come to feel there are established rights. When we talked about the language bill, we talked about certain Canadians who had certain language rights in certain areas. It was felt they should not be deprived of these because they fell into the category of established rights. I think that the family allowance program, as it has existed, quite easily fits into this category of established rights.

I agree that people with a high personal income do not expect a continuation of the allowance because they need it for economic reasons, but they probably consider it to be an established right which they have enjoyed for many years. What have these people done with the allowance they have been receiving? I think in the lower income group it is fair to say they have spent it in the direction that it was intended, for the purchase of clothing, possibly school books and contributing to shelter as well as the other basic needs that Canadian children in their growing years require.

We know that in the middle or higher income groups, this allowance was not particularly used for these purposes. In many cases, investment plans were established for the children involved. When the time came for a secondary education, a fund existed to assist these children to continue their education. For that reason, it will probably upset the parents in this category substantially. What has been a savings plan contributed to through the receipt of a cheque from the government will now have to be continued by a contribution from their own income.

I want to deal briefly with the fact there was a substantial increase in income tax last September for most Canadians. I recall the then Minister of Finance saying that the income tax bill would remove from the income tax rolls somewhere in the vicinity of 3/4 of a million Canadians. That, of course, was a great fallacy. I have in my possession a letter from an official of the Department of Finance. The true figure is more like 30,000 or 40,000 who will be removed from the income tax rolls. Those in the middle or higher income group will experience a very marked increase in their taxation. For this reason, I object to removing the family allowance payments from the middle income group. These people have already been imposed upon very strenuously by the income tax legislation which was rammed through the House last December

by the use of that very democratic principle known as closure. Removal of the established right which these people have come to enjoy has the same effect as increasing their income tax that much more.

• (1720)

While I do not support the idea of universality in all areas of social welfare, I do not think it is contradictory to say that I cannot approve the removal of family allowances from the middle income group. Bearing in mind the measures recently taken to increase taxation, I believe that if these allowances are removed from the middle income group a corresponding reduction should be made in the income tax to compensate for the change. We have heard some members ask: Where will the money come from? I shall comment on this aspect in a few moments. To elaborate further on my point, we might draw a comparison at this point between family allowance and the old age security pension. Here, provision is made for a basic pension which everyone receives as an established right, if you like—a contribution by the state to senior citizens who have contributed throughout their lives to the productivity, growth and development of this country. They receive this benefit even though they may not need a pension. They are still entitled to it as a reward for their efforts on behalf of the country in the past. I would be inclined to say that the family allowance which is now distributed to Canadians across the board should continue for the same reasons. I recognize, though, that the allowance as it presently stands is nowhere near sufficient to meet the needs of those who live below the poverty line. For these people, I would suggest a plan somewhat similar to the guaranteed income supplement granted in certain cases to old age pensioners, a supplement which would be based on need and which would be more realistic in terms of meeting the basic needs of the children of poverty-stricken families.

Where will the money come from? Hon. members will gather that I am suggesting not necessarily a redistribution at this time but an additional expenditure which will prove of assistance to a particular segment of our population. In the first place, it could come from the revenue produced by the massive increase in income tax which was imposed last December. There is no question that this increased taxation will produce a very substantial return to the federal treasury by way of general revenue. Then again, large amounts of money might be saved by abolishing useless structures such as Information Canada which in my view is an unforgiveable waste of the taxpayers' money, established basically for the propaganda purposes of the Liberal party. No one, I think, doubts that this particular institution is of little value and cannot justify its existence in terms of its present cost. There are other areas in which money could be saved for the purposes I have indicated, areas of expenditure which the Auditor General has characterized as wasteful and inefficient. Large sums could be saved by more efficient planning, by more realistic projection of the cost of new structures. I have in mind, for example, the National Arts Centre, the final cost of which was more than double the original estimate; I think of the money wasted on the *Bonaventure* and on the hydrofoil project, of huge sums spent on the purchase of aircraft which, in fact, the defence department did not need. One need only glance at the report of the Auditor General to find examples of millions of dollars wasted in this way.

I will summarize briefly, Mr. Speaker. In my view, we should not deprive the middle income group of an established right, although I realize that people in the lower income group need a greater measure of assistance. We should do something about this. The bill is, really, a useless tool in the general endeavour we ought to be making to combat poverty among one-fifth of our population. We should be looking toward something much more progressive and much broader in scope, including incentives to individuals to increase their productivity through seeking methods of improving their skills and earning capacity. A massive co-ordinated effort should be made to combine all the existing piecemeal programs into one, thereby making the administration less expensive, and putting together all the forces which are presently working separately into one combined operation which would offer a much greater possibility of success in dealing with the poverty which now exists in our country.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I appreciated some of the remarks which were made by the hon. member for Athabasca (Mr. Yewchuk), particularly his suggestions as to the way in which more money could be raised for programs such as this. Certainly, I think some of it might be recovered from what the government misspends, for which we receive no adequate reward.

• (1730)

During a visit to Newfoundland, I heard someone say that many of the housewives of that province gave Joey Smallwood the credit for the baby bonus. This individual said Joey Smallwood did nothing to discourage these women from thinking that way. It is true that the baby bonus was started, as far as Newfoundland is concerned, when it joined Confederation and obviously these women appreciated receiving this money. Certainly, they needed it and it did much for the poor people of that day.

I am a bachelor so I do not receive any baby bonus, and I was too old for my parents to get it. We live in an age during which a man who has a way with a woman will get a bonus from the government in the sense that his wife receives a cheque from the government to help raise the children. If anybody in this country is discriminated against, I suggest it is the bachelor. Unlike the minister, I can make no claim to having a way with women. I should like to find out from him something about his attitude toward this bill. I have asked housewives what they think about it in order that I might be able to make some comments on what they believe should be included in a bill of this kind. I have found that wives who feel they might lose this baby bonus cheque are very indignant. If the minister does not think this is the fact, I suggest he go out in the country and talk to these people.

I have often suggested to these women that their husbands are making good money, and have asked what difference the change in this measure would make to their income position. I have been told that these women consider this money as theirs, in comparison with family money. They budget on the basis of receiving it. I suggest

that once you establish a precedent by allowing a wife a separate form of income, she will be very unhappy if you take it away. Perhaps this is a social problem, but if the minister is going to take away the baby bonus he better pass a law requiring husbands to give allowances to their wives to replace this lost income. I heard one woman, in the presence of her husband, suggest that if she was not going to get the baby bonus he would have to give her so much money. Perhaps the minister would consider some appropriate change in the legislation to this effect if he intends to remove this particular income from the pocketbooks of these women.

Let me talk for a moment about the universality of legislation we have before us, or the lack of it in this particular case. The question is selectivity versus universality. The government is not being consistent in its approach to this particular problem. The Minister of Labour (Mr. O'Connell) and the Minister of Manpower (Mr. Mackasey) are both involved in this field and they insist on universality, yet the Minister of National Health and Welfare (Mr. Munro) emphasizes selectivity. There is inconsistency here, and I cannot understand why, if universality is good in respect of unemployment insurance, it should not be good in respect of the baby bonus. The minister should discuss this matter with the Minister of Manpower. Perhaps the other ministers would come into this Chamber and discuss this particular aspect of the legislation. We have heard the minister of health arguing in favour of selectivity. I should like to hear what the Minister of Labour and the Minister of Manpower have to say with regard to their preference for universality. If one can argue in favour of universality on the one hand, why could the same argument not be applied on the other? This is a reasonable request. We should have some consistent approach by government in these various measures.

The cost of living has increased by leaps and bounds and we are only now getting around to increasing the baby bonus for some people. We are going to take it away from others. I do not know whether you have children, Mr. Speaker, but I certainly do not. However, I am sure you can appreciate the problems of a housewife in clothing and feeding children. I have been asked on many occasions by housewives how much I thought it cost for children's clothes, and how much it cost to pay a babysitter to look after the children while the housewife went out to work to increase the family income. I was frankly horrified when I was told of these costs. These people do not have grandmothers who will take care of the children for nothing as used to be the case; they now pay for such services. The fees charged by babysitters are often high enough that these people have to pay income tax on their earnings. I suggest the cost of raising a family is tremendous, and often even too much for those with better than average incomes or two incomes in a family.

I was discussing this matter with a young couple in my constituency. The young chap said he would rather have an increase in his exemptions for children than a grant or increase in the baby bonus. I suggested that might be alright for him because he had a fairly adequate income but would not be suitable for those whose income is not adequate, and that a baby bonus increase would be more realistic. There is a great deal of interest among the people of my constituency in this bill. As a bachelor, I naturally did not pay as much attention as I might otherwise have to this particular measure, but when the news reports about it came out, and after wives had a chance to consider them, I know they became very concerned. They are particularly concerned as to how this measure will affect them. Naturally, those in lower income brackets who will receive an increased grant are happy about this measure. I suggest they need that additional money and I commend the minister in this regard. However, those who will receive less or nothing at all will not be happy and some awkward political problems may develop for the minister. I should like to listen to a number of women asking him questions about this particular legislation, and I should like to hear the answers he might give.

Let me refer to the administrative problems involved in such a measure as this. The government will have to decide which people in which income brackets will receive money and which will not. This reminds me of the story about a farmer back in my part of the world who had a hired man. One day he went to town and gave the hired man a job of sorting potatoes into three different groups according to quality. The hired man, who normally is an excellent hard-working individual, was all played out when the farmer returned. The farmer asked him why he was all played out and the hired man replied that it was because of all the decisions. I suggest that the administrative cost in respect of a situation of this nature will outweigh some of the advantages derived from the money saved by not paying those who have larger incomes.

• (1740)

It seems to me a plan should be quite simple in its construction so that everybody can understand it. Anyone looking at the different clauses in this bill, trying to determine what they mean and how they will affect him, will find difficulty. For instance, farmers ask me whether it is gross income that is involved and I tell them that, logically, it should be the net income. Some of the confusion I believe comes from what I would call the administrative problem in respect of different levels of income. There would not be this problem if we had the universality concept because every one would receive the benefit. The point has been made today that awkward social problems are involved in a community where people have to prove income. I think this is unpleasant to all of us. One does not always like his neighbour to know what his income is, although it might be evident in some cases. I like to think we are moving toward a classless society. It would seem that the reverse is the case. When we do things of this nature, we introduce an old concept about those who have and those who have not. This is something from which I believe we would be wiser to move away.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, as I listened to the speech of the Minister of National Health and Welfare (Mr. Munro) on the motion for second reading on March 24, the thought crossed my mind that I was listening to the best condemnation of the policies of the present administration I had heard in quite a long time. Last night as I listened to the debate and observed the Minister of National Health and Welfare and the former Minister of National Health and Welfare, now the

President of the Privy Council (Mr. MacEachen), shall I say skulking around the vicinity of the Chamber, I thought that perhaps the minister, along with his colleague, was realizing the mistake he made in introducing this bill. I have had a good deal of affection and respect for both these ministers to whom I have listened and whom I have watched in this House over a period of years. However, I have been wondering just what has been going on in the back of their minds. I am convinced both of them realize this bill is a very basic mistake.

I would say frankly to the Minister of National Health and Welfare, who is here, and to the President of the Privy Council if he were here at the present time, that my respect for each of them would increase very substantially if either or both of them were to resign from the government of which they are members on this very issue. I think they realize this bill is a step backward, a step not in keeping with the best traditions of the Liberal Party. Indeed, so far as I am concerned, the action which has been taken by the government in introducing this bill confirms something which has been growing in my mind during most of the years I have been in this House, that is, that actually the real Liberals are becoming fewer and fewer within the ranks of a party which calls itself the Liberal party of Canada. Over the years, the party to which I belong and its predecessor have been associated in the minds of a great many of the people of Canada with what is often referred to as a welfare state. That term, in the minds of some people, at least in this country, has rather an unpleasant connotation. Actually, it has been difficult for those of us who belong to the party to which I belong, those of us who consider ourselves to be democratic socialists, to make clear to the people of Canada that we are the party which is unalterably opposed to the welfare state.

Many spokesmen of this party over a long term, and I cite such members who are sitting here in front of me as the hon. member for Vancouver East (Mr. Winch) and the hon. member for Winnipeg North Centre (Mr. Knowles), have made many eloquent speeches and have fought many battles on the question of the level of poverty which exists in this country. They have argued that effective measures should be taken to deal with it. Many people have tended to equate that concern for poverty and that concern for the things which happen to people who are poor, particularly when they suffer from accidents or ill health or other misadventures, with an advocacy of the welfare state. I think this one particular step taken by the present government drives home the difference between the position we take in this party and the position of the government. It is now becoming abundantly clear that the advocates of the welfare state, with all its unpleasant connotations, are the people who sit on the government side of the House. They believe in welfare for the rich as well as for the poor, and they want the rest of us to shoulder the burden.

I believe that point was made very well a short time ago by the hon. member for Waterloo (Mr. Saltsman), when he dealt very effectively in my opinion with some of the nonsense that was being peddled by the hon. member for Montmorency (Mr. Laflamme). It is quite true, as the hon. member for Waterloo said, that the hon. member for Montmorency is an eloquent speaker even when one has to listen to a good part of what he has to say through an interpreter. I did listen to that speech, and despite its eloquence, I have to say it sounded like a worn-out phonograph record. I have listened to it time after time from people who supported the present government and some of its predecessors when welfare measures of this type were introduced.

I listened to speeches of this type, for example, during the great fanfare when the Liberal administration under Mr. St. Laurent introduced such acts as the Blind Persons Act and the Disabled Persons Act. After studying the fine print, we found these welfare measures meant, as someone said, that one had to be confined to a stretcher, so far as disabled persons allowances were concerned, and unable to lift more than one finger.

• (1750)

We have listened to this kind of debate when we have had arguments about the levels of benefit that should be paid under the War Veterans Allowances Act, the Old Age Assistance Act, under the Canada Assistance Plan, and indeed to a certain extent under such measures as the Canada Pension Plan which was introduced with fanfare as something which would provide a pension as a matter of right as a result of contributions paid into it. It is only now beginning to register on some of the people who thought they had accumulated pension rights under the Canada Pension Plan that it, too, has its social welfare aspects. If anyone accepts a casual job and earns more than $75 in any one month, his pension is reduced accordingly.

It does not matter where one turns in the record of legislation brought in under governments calling themselves Liberal, we have this building of what many people describe as a welfare state. In distinction to that, there have been one or two measures introduced which, in my view, did not have welfare state implications. One of them was the universal Old Age Pension Plan and the other was the family and youth allowances plans.

When the minister introduced the bill, he said, and I quote from page 1133 of *Hansard* of March 24:

> With this bill, two universal payment plans are being replaced by a family income security plan based on the guaranteed income concept.

One could argue whether what is in this bill could be equated with a guaranteed income concept, but I do not intend to launch upon that particular argument at this time. What I am trying to emphasize is that in this bill as well as an earlier bill with which we dealt in respect of the freezing of old age pensions and the introduction of what the government called the guaranteed income supplement, we have abandoned the trend which some of us hoped might be expanded by the present government toward universality. Because of the way this measure has been developed, we have moved further in the direction of providing, under the auspices of the present government, welfare for the rich and welfare for the poor with the mass of people in between footing the bill. I suggested that the minister, in his speech, had really condemned the general policy of the government to which he belongs. I think one of the figures in his speech which, to me at least underlines this, is the statement that he made in regard to

what he refers to as the impact of the FISP proposal. On page 1134 he is recorded as saying:

> Full benefit under FISP will go to 1,249,000 families, or 35.5 per cent.

That is a straightforward statement from a minister of the government indicating that 35.5 per cent of the families in Canada are at the income level of $4,500, with perhaps a little above that for those who have large families. That is an admission of the general results of the policies of the government which have left 35.5 per cent of the families in Canada able to qualify for full benefits under this plan. That is an indication of the tacit acceptance of the government of the perpetuation of this welfare state concept, and an indication that apparently they are satisfied that from those in the middle income brackets they will have to take funds to support 35.5 per cent of the families in Canada.

I am trying to assess this in relation to the impact it will have on many of the people in my constituency who go out into our mountainous wooded hills and harvest the products of our forests, who process those products through the converting plants into lumber, plywood, shingles, or pulp and paper. These people work hard and, it might be suggested, earn good money, at least by the yardstick that is set as the income level at which it is appropriate that family allowances should be paid under this bill. Those are the people who are going to realize suddenly, when this bill becomes law, if it does, the real difference between those of us who believe in a state that is a place where people have an opportunity to make a full contribution toward increasing the wealth under arrangements which will equitably distribute that wealth and the members of this government who offer no leadership in ensuring that all people have opportunities for employment at decent levels of income. This government is content simply to take away benefits from the children of those people in order to pass them on to others who are either unemployed, under-employed or employed at low levels of wage in other parts of the country.

I believe you are indicating that it is six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock, this House stands adjourned until tomorrow at two o'clock.

At six o'clock the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, April 20, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

LABOUR CONDITIONS

NORTHERN ELECTRIC, MONTREAL—LAY-OFFS AND JOB TRANSFERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I would like to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. Yesterday, Northern Electric in Montreal announced extensive lay-offs at its Laurentian Boulevard plant, including the transfer of 300 to 600 jobs to Ontario and other locations. With these lay-offs the total number of lay-offs during the past year by Northern Electric amounts to approximately 2,000 jobs. Consequently I move:

That the entire question of Northern Electric lay-offs in Montreal be referred to the Standing Committee of Labour, Manpower and Immigration for investigation and report.

Some hon. Members: Hear, hear!

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Notre-Dame-de-Grâce. Under the terms of Standing Order 43 this motion requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There does not appear to be unanimity.

Mr. Bell: The Liberals are against it.

Mr. Speaker: There is not unanimous consent and therefore the motion cannot be put.

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CERTIFICATION OF MASTERS BILL

REGULATION OF CERTIFICATION OF MASTERS OF FOREIGN VESSELS USING CANADIAN WATERS

Mr. David Anderson (for Mr. Groos) moved for leave to introduce Bill C-192, respecting the certification of masters of foreign vessels.

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

FOREIGN VESSELS CONSTRUCTION STANDARDS BILL

MEASURE RESPECTING CONSTRUCTION STANDARDS FOR FOREIGN VESSELS USING CANADIAN WATERS

Mr. David Anderson (for Mr. Groos) moved for leave to introduce Bill C-193, respecting construction standards for foreign vessels.

Some hon. Members: Explain.

Mr. Anderson: Mr. Speaker, on behalf of the hon. member for Victoria who is presently attending a meeting of ships' pilots, may I say that the purpose of this bill is to ensure that foreign vessels using Canadian waters are subjected to the same construction standards as apply to Canadian-built vessels.

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

• (1410)

MARINE TRAFFIC CONTROL (WEST COAST) BILL

MEASURE TO REGULATE AND CONTROL MARINE TRAFFIC ON WEST COAST

Mr. David Anderson (for Mr. Groos) moved for leave to introduce Bill C-194, to control marine traffic on the west coast.

Some hon. Members: Explain.

Mr. Anderson: Mr. Speaker, like the previous bills, this one is to regulate and control marine traffic operating within the zone adjacent to the Canadian shore on the west coast, and whose destination is a port or anchorage on the west coast of Canada.

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

ORAL QUESTION PERIOD

FINANCE

INQUIRY AS TO BUDGET AND SPECIFIC MEASURES TO CREATE JOBS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance who I had hoped would be a very frank and open minister in the House in answering questions.

Mr. Guay (St. Boniface): Oh, you're back!

Mr. Speaker: Order, please. I am not sure whether the hon. member's preliminary comments are relevant to the question he proposes to ask.

Mr. Stanfield: I was just reminding the minister of his reputation in the house, Mr. Speaker.

Mr. Trudeau: Think of your own.

Mr. Stanfield: I would like to ask the minister, now that we are well into the new fiscal year, whether he can yet tell us when we can expect a budget statement and financial accounting such as we are used to receiving in this parliament?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I dealt with that question two days ago when the hon. member's colleague from Edmonton put the same question to me.

Mr. Stanfield: I had hoped the minister might have received some enlightenment over the weekend. I would like to ask the minister, particularly in view of unemployment remaining at 6 per cent and in view of the recent report that the rate of growth in the economy may very well slow down in the first quarter, whether he is now prepared to present to the house measures designed specifically to create jobs in this country?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the hon. gentleman can count on me to present the appropriate measures at the appropriate time, and he will receive advance notice of that.

Some hon. Members: Hear, hear!

Mr. Stanfield: Judging from the minister's answer, is the country then in the position that action on these matters will depend more on the date and decision relating to an election rather than on the economic needs of the country?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Lambert (Edmonton West): That is fair comment.

Mr. Speaker: Order, please. The response to the hon. member's question is an indication that it was argument rather than a question.

MEASURES TO PROVIDE JOBS FOR PERSONS NOW EMPLOYED ON WINTER WORKS PROGRAMS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. Is he planning any measures at all to deal with the thousands of people currently employed on winter works programs which are due to be completed by the end of May? Has he any concrete measures to present to the House in the near future that will provide employment in the summer months for these people?

[Mr. Guay (St. Boniface).]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, those employment programs are being reviewed with the provinces, and if and when the government has something to say it will say it in the House.

ASSURANCE OF USUAL PERIOD OF DEBATE IF BUDGET INTRODUCED

Mr. G. W. Baldwin (Peace River): Mr. Speaker, can the minister assure the House that when and if a budget is introduced the usual time will be given to the House to debate the budget and for the people of the country to become aware of its contents before the government is called to account by the people of the country in a general election?

Mr. Trudeau: What are you so nervous about?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if that were to happen I would want to assure the House that the opposition would have all the time it needed to debate a budget, if that were to come before the House, but judging from some performances the opposition may not need too much time.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baldwin: On a point of order—

Mr. Speaker: Order. The Chair will recognize the hon. member on a supplementary, but obviously this is not a very productive exchange of questions and answers. The Chair will recognize the hon. member for York South immediately after we have heard the hon. member's supplementary.

Mr. Baldwin: It is a point of order, Mr. Speaker. I asked the minister what I thought was a very simple question but all we got was a bad commercial. I hope he will answer my question.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if I were convinced that some of the questions were devoid of political motive I would answer them in the terms they deserve.

Mr. Speaker: Order, please. The hon. minister cannot impute motives.

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COMBINES

INVESTIGATION OF CLOSING OF TORONTO "TELEGRAM" AND PURCHASE OF SUBSCRIPTION LIST BY "STAR" —NECESSITY FOR FORMAL INQUIRY

Mr. David Lewis (York South): I have a question for the Minister of Consumer and Corporate Affairs, Mr. Speaker. Some time ago Mr. Henry, the director of investigation and research under the Combines Investigation Act, was reported as having said in Toronto that his division was looking into the closing down of the Toronto

Telegram and the purchase by the Toronto *Star* of the *Telegram* subscription list to see whether or not a formal inquiry was required. May I ask the minister if he can inform the House whether Mr. Henry has concluded his preliminary inquiry and whether he has decided that it is necessary to go forward with something else?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is my understanding, and I should like to have an opportunity within the next day or two to doublecheck this, that the investigation indicated that there was no justification or need to pursue the matter further.

INVESTIGATION OF CLOSING OF TORONTO "TELEGRAM" AND PURCHASE OF SUBSCRIPTION LIST BY "STAR" —INVOLVEMENT OF RCMP

Mr. David Lewis (York South): I have a supplementary question for the Solicitor General on the same subject, Mr. Speaker. Some months ago I asked the minister whether he could inform the House if the RCMP were involved in this investigation and he was good enough to say that he would look into the matter. Can the minister now tell the House whether the RCMP were involved?

An hon. Member: He didn't hear you.

An hon. Member: The same as yesterday.

Mr. Stanfield: The same answer as last week.

[*Translation*]

Mr. Lewis: Mr. Speaker, I trust that the minister is reading something interesting.

I asked him, a few months ago, whether the RCMP had investigated the purchase by the Toronto *Star*, of the *Telegram* subscribers' list. He then told me he would look into it and advise me. Can he do so now?

Hon. Jean-Pierre Goyer (Solicitor General): No, Mr. Speaker, I cannot do so now, but I shall Monday.

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UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—EFFECT OF STRIKE BY QUEBEC GOVERNMENT EMPLOYEES—ASSURANCE THAT CHEQUES WILL BE DELIVERED

Mr. Roland Godin (Portneuf): Mr. Speaker, I intended to put a question to the Minister of Labour but in his absence and that of his parliamentary secretary, I shall put it to the Minister of Manpower and Immigration.

My question deals with the problems of some of the unemployed who have been waiting for their unemployment insurance cheques for three months. As several unemployed in Quebec have had to go to the welfare offices for assistance and as these offices are now closed because of the strike of the Quebec civil servants, can the minister promise that the unemployed will soon receive the money coming to them?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Yes, Mr. Speaker.

[*English*]

INDUSTRY

PULP AND PAPER—CLOSING OF MILLS—POSITION OF DISCUSSIONS WITH INDUSTRY TO OVERCOME PROBLEM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is directed to the Minister of Industry, Trade and Commerce, Mr. Speaker. In view of the continuing shutdown of pulp and paper mills across Canada, accentuated by the closing of Ocean Falls in western Canada, will the minister indicate to the House what progress is being made in his discussions with the pulp and paper industry to overcome this serious situation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The studies and analyses to which I referred previously in the House are continuing. We have met once again with the leaders in this industry and we are supposed to meet again.

* * *

THE CANADIAN ECONOMY

SHORT-TERM MEASURES TO CORRECT DECLINE IN RATE OF GROWTH OF REAL OUTPUT—LONG-TERM MEASURES TO ENSURE CONTINUED GROWTH

Hon. Marcel Lambert (Edmonton West): I have a question for the Minister of Finance, Mr. Speaker. The minister spoke about the possibility of a budget and other matters a few moments ago. Bearing in mind the report of Statistics Canada about the actual decline in the rate of growth of real output in Canada, and combining that with the high level of unemployment and continuing inflation, would the minister advise the House whether he has considered short-term measures, which will correct this trend and, in addition, what long-term measures does he have in mind to make sure that the economy continues to grow? He has a problem in light of his prophecy about dealing with unemployment.

• (1420)

Mr. Speaker: Order, please. I think the answer to that kind of question should normally be given by way of a statement on motions. If the minister thinks he can reply briefly to the hon. member's question, he will be recognized for that purpose. Otherwise, if it is to be a lengthy statement it ought to be made on motions.

Mr. Knowles (Winnipeg North Centre): It should be made in a budget address.

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INDUSTRY

AUTO PARTS AND ACCESSORIES—ALLEGED DECLINE IN ORDERS FROM U.S. CUSTOMERS—STEPS TO OFFSET EFFECTS OF DISC PROGRAM

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, may I direct a related question to the Minister of Industry, Trade and Commerce dealing with the drop in produc-

tion. Since there are now concrete indications that some Canadian suppliers of auto parts and accessories are now receiving either smaller orders or no orders at all from their normal United States customers, is the government now convinced that the DISC program is working against our industries and are any steps being taken to curb our losses of production as a result of this program?

Mr. Speaker: Order, please. The hon. member is inviting an opinion from the minister responsible. He is asking whether the minister is convinced of something or other. That is certainly not a proper form of question.

Mr. Danforth: Mr. Speaker, may I direct my question to the Minister of Industry, Trade and Commerce in this fashion. Since there is a drop in trade between our automobile suppliers and their normal United States customers that is attributed to the DISC program, is the minister taking any concrete steps to provide policies to counteracting this situation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, to my knowledge, what the hon. member posits is wrong. We have conducted an inquiry into the auto parts industry very recently and the inquiry demonstrates that the level of auto part exports at the moment is as high as it was last year and that it is expected to be even better next year if the present trend in automobile buying continues.

* * *

PUBLIC BUILDINGS

ALLEGED INTENTION TO REPLACE CORPS OF COMMISSIONAIRES BY PRIVATE DETECTIVE AGENCY PERSONNEL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Public Works. Is the government about to demobilize the Corps of Commissionaires in so far as service with government departments is concerned under his jurisdiction as Minister of Public Works and replace them with personnel of a private detective agency to be appointed?

Hon. Jean-Eudes Dubé (Minister of Public Works): No, Mr. Speaker. I am not aware of any such intention on the part of the Department of Public Works.

Mr. Diefenbaker: Mr. Speaker, may I ask who the minister in charge is? I do not know who the minister in charge is. Is it the Minister of Public Works? Is he the one who is in charge of this?

Mr. Dubé: Mr. Speaker, I am not in charge of any demotion of the Corps of Commissionaires. That is all I can say.

Mr. Diefenbaker: Mr. Speaker, possibly I could direct my question to the Solicitor General. Has he any information on this subject?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, there is no question of it for the federal buildings.

[*English*]

Mr. Speaker: The hon. member for Greenwood.

Mr. Diefenbaker: Mr. Speaker, this game of shuffleboard on the part of ministers is not in keeping with the dignity of the House of Commons. Does the Minister of Public Works—

Mr. Speaker: Order, please. I merely want to apologize to the hon. member for Greenwood whom I recognized a moment ago. Perhaps we might allow the right hon. gentleman to ask his supplementary question first.

Mr. Diefenbaker: Mr. Speaker, I want an answer. Are the Commissionaires, 150 of these old soldiers—

Some hon. Members: Hear, hear!

Mr. Diefenbaker: —to be removed and replaced by a private agency now being advertised for to fill positions of a supervisory nature now filled by the Commissionaires?

Mr. Dubé: Mr. Speaker, I have had occasion in the course of the past three and a half years to show my respect for the old soldiers.

Some hon. Members: Hear, hear!

Mr. Dubé: We have shown our respect in concrete terms and we are certainly not about to demote them in any way, shape or form.

Mr. Diefenbaker: But that does not answer my question completely.

* * *

HOUSING

REQUEST FOR TABLING OF FINAL REPORT OF TASK FORCE ON LOW-INCOME HOUSING

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs in charge of housing. Will the minister table in the House or publish the final report of the task force on low-income housing headed by Professor Michael Dennis, which I believe was presented to him recently, so that the public can be aware of what is contained in the report?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, Professor Dennis is still working on his editing.

* * *

LABOUR CONDITIONS

NORTHERN ELECTRIC, MONTREAL—EMPLOYEE LAY-OFFS—REPRESENTATIONS TO COMPANY OFFICIALS RESPECTING EFFECTS—ASSISTANCE IN MARKETING PROBLEMS

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, my question is for the Minister of Manpower

and Immigration. Considering the lay-offs announced yesterday by Northern Electric in Montreal, which are part of a continuing series of lay-offs, will the minister contact the authorities of Northern Electric to see if the effects of these lay-offs can be minimized and the men can be placed in other work?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, that has already been done in view of the particular location in which Northern Electric is situated. There has been maximum co-operation between management, labour and the Department of Manpower to minimize the lay-offs. I am sure that Northern Electric should be or are conscious of the moral obligation they have to remain as much as possible in the province of Quebec, because little is to be gained by transferring that company and its operations out of that province to another part of Canada.

Mr. Allmand: Mr. Speaker, my supplementary question is directed to the Minister of Industry, Trade and Commerce. Has his department any measures to assist the electronics industry in Canada and, in particular, to assist Northern Electric with its marketing problems?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, we have, Mr. Speaker. We are helping and will continue to help. We are going to help even more if possible than we have helped in the past.

NORTHERN ELECTRIC, MONTREAL—LETTER FROM UNION PRESIDENT—POSSIBLE MEETING WITH UNION REPRESENTATIVES

Mr. Raymond Rock (Lachine): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Has the minister received a letter from Gordon P. Meehan, President of the Canadian Union of Communication Workers, concerning Northern Electric lay-offs and transfers of jobs to Ontario? If so, has the minister met with union representatives and does he intend to make a statement to the House in this regard?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, Mr. Speaker, I received a letter from this gentleman and I am answering it. In a previous answer to the House I indicated that my information was that the company did not have any intention of moving from Quebec to Ontario. However, it is obvious that companies like this have to readjust and adapt to the market demands, irrespective of provincial borders. This is what the company is now doing. According to the figures I have, Northern Electric had more employees in Quebec in 1971 than in 1970.

Mr. Speaker: Order, please. We should try to move on. As hon. members will notice from looking around, there are many hon. members who for one reason or another are anxious to ask questions at this time.

Mr. Pepin: On a question of privilege, Mr. Speaker, may I indicate that I was giving a percentage. I meant that the percentage of employees of that company in Quebec is higher now than it was in 1970.

Mr. Speaker: Order, please. That is hardly a question of privilege.

[*Translation*]

Mr. Valade: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Sainte-Marie on a point of order.

Mr. Valade: Mr. Speaker, the Minister of Industry, Trade and Commerce, has just given information which contradicts the statement he made in this House last week. When I asked him what were the intentions of the heads of Northern Electric and what he was planning to do in order to ensure the employment of the people who work for that company, the minister answered that there was nothing wrong with the situation at Northern Electric.

I would therefore ask the minister, since he gave misleading information to the House last week, to say whether he has talked with the union of Northern Electric employees in order to find out whether the 2,200 employees who have been laid off will be provided with—

• (1430)

Mr. Speaker: Order. There is evidently no point of order. The hon. member is putting a supplementary question. The minister may reply and we shall then go on to another subject.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I also rise on a serious matter of privilege. Knowing my hon. friend, I took due precautions and if he will consult page 884 of *Hansard*—unfortunately I have only the English text here—he will see that I said none of the things he accuses me of having said at that time. And if I may quote in English, here is what I replied at the time—

Mr. Speaker: Order. I suggest to the hon. minister and to the hon. member as well that there is neither a point of order nor a question of privilege involved. We could spend the whole question period discussing what the minister said or did not say. It seems to me that such is not the purpose of the question period and it might be possible for the minister and the hon. member concerned to meet later and determine what really was said, but I do not believe there are grounds here for a question of privilege.

[*English*]

If hon. members wish to debate for 40 minutes what the minister has said or has not said, I shall hear the hon. member for Sainte-Marie and then I shall give the minister every opportunity to reply.

[*Translation*]

I now recognize the hon. member for Sainte-Marie.

Mr. Valade: Mr. Speaker, I feel compelled to rise on a question of privilege, since the hon. minister has said that I had accused him of saying things that he had not said.

I simply spoke on a point of order, Mr. Speaker. When hon. members ask the minister a question and he answers evasively and erroneously, we have a duty to ask him to put the information back into context and my point of order as well as my question of privilege are related, as the hon. minister accuses me of misquoting him with respect to a question that I asked him.

Mr. Speaker, I ask the hon. minister to specify whether he has had contacts with the union representing the employees of Northern Electric, as in a letter that the union has sent us, it accuses the minister of having never contacted the employees of Northern Electric—

[*English*]

Mr. Speaker: Order, please. I intend to recognize the minister, as I said a moment ago, and we shall spend another five or ten minutes on this, but I suggest it is highly unfair to other hon. members.

[*Translation*]

The Minister of Industry, Trade and Commerce is rising on a question of privilege.

Mr. Pepin: Mr. Speaker, I feel your remarks are justified and I resumed my seat.

* * *

[*English*]

PENSIONS

RATIFICATION BY WEST GERMANY OF RECIPROCAL AGREEMENT WITH CANADA—DATE FOR PAYMENT TO CANADIANS OF GERMAN ORIGIN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Is the minister now in a position to answer my question of yesterday as to whether the reciprocal agreement between Canada and the Federal Republic of Germany respecting the payment of pensions has been ratified by West Germany? Can the minister also tell us on what date the payment of these pensions will be put into effect in Canada?

Hon. John C. Munro (Minister of National Health and Welfare): There are certain details I should like to fill in before making a full statement. With the hon. member's permission, I should like to make it next Monday.

Mr. Knowles (Winnipeg North Centre): Will the minister undertake to make the statement in the House?

Mr. Munro: Yes, Mr. Speaker.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—AVAILABILITY OF FUNDS TO COMPLETE PROJECTS ALREADY APPROVED—DISCUSSION WITH QUEBEC MUNICIPAL AFFAIRS DEPARTMENT

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

[Mr. Valade.]

Are there any funds available at present under the local initiatives program because some groups or municipalities were unable to carry out approved projects?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, we are reviewing the funds available for the local initiatives program to determine whether any money is still available for projects which for climatic or other reasons were begun a little later than normal.

Mr. Speaker: Order, please. May I suggest to the minister that it is just about impossible to hear him because of the conversation going on next to him over the same microphone.

Mr. Mackasey: Mr. Speaker, we are reviewing the funds that were placed at the disposal of the local initiatives program, particularly as far as municipalities are concerned, to determine, in cases where projects may have been delayed for reasons beyond their control—weather conditions, for instance—whether it would be beneficial to extend the termination date presently fixed for the end of May, provided, of course, that this does not involve the provision of additional money but merely the exhaustion of funds already allocated.

[*Later:*]

[*Translation*]

Mr. Speaker: Does the hon. member for Champlain wish to ask a supplementary question in connection with the one he put earlier?

Mr. Matte: Yes, Mr. Speaker.

Could the Minister of Manpower and Immigration tell us whether he discussed with the Quebec Department of Municipal Affairs the difficulties experienced by municipalities with that department in obtaining the funds required to carry out their projects?

[*English*]

Mr. Mackasey: There have not been meetings at the ministerial level but it is quite possible there have been meetings at the senior official level. I shall inquire.

* * *

TRADE

REQUEST FOR ISSUANCE OF TEMPORARY EXPORT PERMITS FOR ALBERTA NATURAL GAS

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Would the minister consider granting temporary export permits in view of the 500 million cubic feet per day of natural gas presently available in Alberta wells but remaining unused?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will take notice of this question and refer

it to my colleague the Minister of Energy, Mines and Resources who will, I am certain, bring it to the attention of the National Energy Board.

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AGRICULTURE

PRINCE EDWARD ISLAND—ACTION TO IMPLEMENT SMALL FARM ASSISTANCE PROGRAM AND IMPROVE MARKET POSITION OF CERTAIN PRODUCERS

Hon. J. A. MacLean (Malpèque): Mr. Speaker, may I ask the Minister of Agriculture whether he has anything new to report with regard to expediting and integrating the small farm assistance program of this government and the government of Prince Edward Island? I ask this question in light of the fact that farm cash receipts for that province dropped, it is estimated, by more than $5 million in 1971.

Hon. H. A. Olson (Minister of Agriculture): The small farms development program is, of course, not designed to resolve the very real problem that the hon. member has mentioned. There are discussions due to take place, I think, on Monday or Tuesday of next week with at least one or two of the provinces to work out the administrative details. I am as anxious as the hon. member to make this program operative as soon as possible.

Mr. MacLean: May I ask the minister whether any discussions of programs are in train for the purpose of improving the market position of growers of tobacco, potatoes and hogs, whose difficulties have given rise to this general problem in both Prince Edward Island and New Brunswick?

Mr. Olson: Yes, Mr. Speaker—not any specific program at the moment, but the hon. member will recall we have taken action on a number of occasions in the past few months to improve the situation.

* * *

HEALTH

REQUEST FOR ACTION TO ENSURE THAT FOODS FOR HUMANS ARE AVAILABLE ON NUTRITIONAL BASIS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question I should like to direct to the Minister of Consumer and Corporate Affairs. In view of the statement by the national co-ordinator of Canada's nutrition survey that the only foods now sold on the basis of their nutritional value are pet foods, will the minister take action to investigate this situation with the object of ensuring that foods for humans are also available on a nutritional basis?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): That is an excellent suggestion, Mr. Speaker.

Mrs. MacInnis: Pending the carrying out of that suggestion, would the minister consider reclassifying human beings as pets who require nutritional food?

FINANCE

ALLEGED REFUSAL OF UNITED STATES TREASURY SECRETARY TO ATTEND INTERNATIONAL MONETARY CONFERENCE TO BE HELD IN MONTREAL

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is to the Minister of Finance. Has the minister been in touch with the United States Secretary of the Treasury, John Connally, with respect to his announced refusal to appear with him at the international monetary conference sponsored by the American Bankers' Association to be held in Montreal from May 9 to 12 next?

Hon. John N. Turner (Minister of Finance): The host of that conference is the International Bankers' Association. On the agenda I received my name appears as one who will attend, and so does the name of the United States Secretary of the Treasury. I have no further information.

Mr. Ryan: Apparently it came out yesterday that Mr. Connally will not be there. As this is the first occasion since 1950 that a United States Secretary of the Treasury has refused to attend such an annual meeting, may I ask whether the government has received any assurance or indication from the United States Treasury Department that President Nixon has altered the intransigent position of Mr. Connally with respect to current trade difficulties between Canada and the United States?

• (1440)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hosts of the conference in Montreal are the international bankers, not the Canadian government. At the moment I am acting on the basis that I will be there, and the agenda shows that Mr. Connally will be there.

* * *

MANPOWER

POSSIBLE INCLUSION OF THOSE TAKING TRAINING UNDER UNEMPLOYMENT INSURANCE COVERAGE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration and is in regard to a discussion at another time and in another place. What consideration is the minister giving to the inclusion of those who are taking manpower training under unemployment insurance coverage?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Perhaps I may be forgiven, Mr. Speaker; the answer would be a detailed one. Since the other place to which the hon. gentleman alluded is a very hospitable one, perhaps we should renew the meeting there and I shall provide an answer under the same circumstances and in the same surroundings.

Mr. Muir: I am very agreeable, as everyone knows. In the event that the minister's answer is in the negative, in view of the fact that allowances under manpower

training are taxable as income, in view of the fact that cadets at the Canadian Coastguard College who are taking training are covered by unemployment insurance, and in view of the fact that those who take training cannot find jobs after they have completed their courses, would the minister give further consideration to this problem?

Mr. Mackasey: I certainly will, Mr. Speaker. To be quite honest, I do not know the answer to the question. I will try to find out and answer tomorrow.

* * *

POST OFFICE

POSSIBLE RESTORATION OF SATURDAY MAIL DELIVERY

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Postmaster General. The question was asked in his absence and was to be relayed to him. As six-day mail delivery was maintained in rural areas at the insistence of many members of the House, is the minister now going to grant the same privilege to urban Canadians and reinstate six-day mail delivery to speed up mail delivery in these areas?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, what I said and I say it again, is that even if the mail delivery has greatly improved these last few years, there are still problems regarding the mail posted on week-ends. We must find a solution, and if the only one is to resume mail delivery on Saturdays, we will do so.

[*English*]

Mr. McKinley: How soon does the minister plan to make an announcement on this matter, and is it being investigated now?

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, I cannot announce a decision which has yet to be taken.

[*English*]

POSSIBLE RESTORATION OF SATURDAY MAIL DELIVERY—REPRESENTATIONS FROM POSTAL UNIONS—RELATIONSHIP TO CONTRACT NEGOTIATIONS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a supplementary question on the same subject. In view of the continuing delay in mail delivery, have representations been received from the postal unions on this matter, and is this a vital part of the current negotiations now going on for a new settlement?

Hon. Jean-Pierre Côté (Postmaster General): I am sorry, Mr. Speaker, I did not hear the first part of the question.

Mr. Dinsdale: Is the question of restoration of six-day mail delivery part of the negotiations going on with the postal unions, has the minister received representations from the postal unions in this respect, and is it vital to a satisfactory settlement?

[*Translation*]

Mr. Côté (Longueuil): No, Mr. Speaker, I don't think that the problem of mail delivery on Saturday is being negotiated at the present time. According to the first impressions gathered, some union officials were in favour of it but reports in this morning's newspapers reveal that interest was fading.

[*English*]

DELAY IN DELIVERY OF MAIL FROM SCOTLAND

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question, Mr. Speaker. Would the minister look into the problem respecting mail coming from Scotland? I am in receipt of several letters which indicate that delivery is taking five to six months. Would the minister at his earliest opportunity look into this matter in order that he can make a statement to the House?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, this problem is not one for which the Post Office Department is responsible; it is simply due to the fact that strikes in American ports have delayed the unloading of a number of postal bags.

I think that most of these bags were returned to us and have now been delivered.

[*English*]

POSSIBLE RESTORATION OF OTHER SERVICES IN ADDITION TO SATURDAY MAIL DELIVERY

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a supplementary question for the minister. In addition to consideration being given to restoring Saturday delivery, would the minister indicate whether the department is considering restoring other services which have been affected by the policy the department has followed, I think adversely, in recent times?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Which ones, Mr. Speaker?

* * *

MANPOWER

JAMES BAY HYDROELECTRIC PROJECT—DISCUSSION BETWEEN OTTAWA AND QUEBEC RESPECTING POLICY IN HIRING WORKERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed at the Minister of Manpower and Immigration.

Would the minister indicate whether there have been talks at the ministers' level between Quebec and Ottawa concerning the policy to be followed—

Mr. Speaker: Order, please. The hon. member for Bellechasse could ask his question.

Mr. Lambert (Bellechasse): Mr. Speaker, can I very peacefully ask the Minister of Manpower and Immigration whether there have been talks at the ministers' level between Ottawa and Quebec concerning the policy to be followed in manpower centres in Quebec and the rest of Canada with regard to the hiring of workers for the James Bay project?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, there have been informal discussions between various ministries in Quebec and Ottawa on the James Bay project. There have been no specific discussions between the ministers of manpower of Quebec and Ottawa about the possible employment policy when the project gets under way.

* * *

FINANCE

SUGGESTED INVITATION TO UNITED STATES TREASURY SECRETARY TO VISIT OTTAWA TO DISCUSS TRADE AND MONETARY POLICIES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Finance which is actually supplementary to the one asked a while ago by the hon. member for Spadina. In view of the refusal by the United States Secretary of the Treasury, Mr. John Connally, to attend the international monetary conference of the American Bankers Association in Montreal, has the Minister of Finance taken any steps to invite Mr. Connally to Ottawa for a mini-conference on trade and monetary policies as they affect relations between Canada and the United States?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to make it clear that I have no direct information that the Secretary of the Treasury of the United States has either accepted or refused the invitation to the international bankers' meeting this year in Montreal. As to the second part of his question, no, I have no immediate plans at the moment to invite Secretary Connally to Ottawa.

* * *

HEALTH

REQUEST FOR STATEMENT ON PROPOSALS TO COMBAT ESCALATING CARE COSTS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. In view of the minister's statement on the galloping increase in health care costs which is threatening the whole field of health care, would the minister make a statement to the House on motions outlining his proposals to correct the situation?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I would be pleased to consider making a statement, but I think the hon. member is aware—indeed I know he is—of the quite explicit proposals that the federal government made at the last two federal-provincial conferences of health ministers regarding what we think should be considered in order to achieve the end of reducing the escalating cost of health care.

Mr. Rynard: There is a great deal of alarm abroad about the statement the minister has made, and I feel a statement should be made to the House on motions. If he would do this—

Mr. Speaker: Order. This, of course, is a representation to the minister.

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FINANCE

CONSULTATION WITH PROVINCIAL MINISTERS ON POSSIBLE EFFECTS ON CANADIAN DOLLAR OF EXTERNAL BORROWING BY PROVINCES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. In view of the heavy deficit financing of provincial governments and the consequent necessity for these governments to borrow funds, possibly in foreign markets, has the minister consulted or does he intend to consult his provincial counterparts on the possible effects of heavy external borrowings on the Canadian dollar at this time?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, when I first met the provincial treasurers and ministers of finance in Jasper I reiterated the request of my predecessor, that wherever possible the provinces should seek to satisfy their borrowing requirements on Canadian capital markets. In the ordinary course of dealings with the province of Quebec and the province of Ontario lately, I have been apprised of the intentions of both these provinces regarding their borrowing requirements and how much they anticipate they may have to seek outside Canadian markets. I have received good co-operation from those two provinces in particular.

* * *

• (1450)

TAXATION

REQUESTED CHANGE IN INCOME TAX TREATMENT OF SALE OF MARKETING QUOTAS

Mr. John Burton (Regina East): Mr. Speaker, I should like to direct my question to the Minister of Finance. In his preparations for a budgetary statement, whenever that might be, can he assure the House he is giving consideration to the representations of farm organizations for a change in the income tax treatment of the sale of marketing quotas.

Inquiries of the Ministry

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I will have to treat the preamble to the question as a hypothesis, but in answer may I say I assured the Canadian Federation of Agriculture when they met with cabinet that I had set up, in conjunction with my colleague the Minister of State from Calgary, a joint interdepartmental committee—agriculture, finance and national revenue—to review the effect of the Income Tax Act upon agriculture and farmers generally, and that subject of course, will be one of those that will be reviewed.

Mr. Speaker: Order, please. I have at this time to remind hon. members that there are two minutes left before the end of the question period. The hon. member for Regina East on a supplementary.

SUGGESTED REMOVAL OF SALES TAX ON SOFT DRINKS AND CHANGE IN CUSTOMS TARIFF ON TELEPHONE ACCESSORIES FOR DEAF

Mr. John Burton (Regina East): Mr. Speaker, could the Minister of Finance indicate whether he is giving consideration to requests for the implementation of the recommendation in the Carter report that the sales tax on soft drinks be removed, and could he also indicate whether he is giving consideration to changing the customs tariff as it affects telephone accessories for deaf people?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in respect of the first part of the question I think I have received representations from virtually every member of the House about the soft drink manufacturers and the sales tax. I am meeting with a delegation from that industry later this week or the beginning of next week. In answer to the second part of the question that is one of a variety of issues of this kind that I am considering.

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REGIONAL ECONOMIC EXPANSION

INTERLAKE AREA, MANITOBA—POSSIBLE ENLARGEMENT OF PROGRAMS TO PROVIDE SEWER AND WATER SERVICES IN TOWNS

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In relation to the ARDA and FRED programs which are being carried on in the Interlake area of Manitoba, can the minister say whether consideration is being given or has been given to enlarging the programs in order to give financial assistance to the number one priority of the area, namely, sewer and water services in the towns that do not have these services?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I think the hon. member must be aware that priorities concerning ARDA programs are decided by the provinces, not by the federal government. It all depends, therefore, on whether the province itself asked that such works be done.

[Mr. Burton.]

[*English*]

AGRICULTURE

SMALL FARM ASSISTANCE PROGRAM—DATE OF IMPLEMENTATION AND PROVINCES INVOLVED

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Agriculture related to a question asked previously in connection with the small farms policy. How long will it be before the small farms policy which has been proposed by the government will be in operation and to what provinces will the initial impact of the program be directed?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, as soon as possible. The only delay at the moment is in working out with the provinces the administrative responsibilities between the two levels of government. In so far as I am concerned I hope the result will be that the benefits will be available uniformly and equally in all provinces across Canada.

SHEEP—INQUIRY AS TO WINTERING ALLOWANCE PAID TO QUEBEC PRODUCERS

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Was a wintering allowance paid by the federal government to the sheep producers of Quebec and, if so, why was such an allowance not paid in Saskatchewan?

Hon. H. A. Olson (Minister of Agriculture): There was no such program paid by the federal government.

* * *

REGIONAL ECONOMIC EXPANSION

ALBERTA—POSSIBLE CHANGES IN DESIGNATED AREA BOUNDARIES FOLLOWING EXPIRY OF PRESENT AGREEMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In view of the fact the agreement between his department and the government of Alberta is about to expire in respect of the designated areas, can the minister indicate whether there is a plan to change the boundaries of these designated areas or whether they will be continued as they are now?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I said, I think yesterday or the day before, that we are in the process of consultation with the provinces concerning the designated areas.

Mr. Speaker: We have just about run out of time. Perhaps the Leader of the Opposition might be allowed a question before I call orders of the day.

FINANCE

REQUEST FOR ANNOUNCEMENT OF POLICIES TO COPE WITH UNEMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance arising out of his suggestion that he suspected political motivation behind certain questions asked him about a budget. Having just come from a part of Canada where unemployment is even more serious than it was at this time last year, I should like to ask the minister in all earnestness, no matter what he may suspect about my motives, whether he will tell the House and the country when he will be prepared to announce his policies and his position?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I share the hon. gentleman's concern about unemployment in this country and I want to assure him I will respond to his question at the earliest possible opportunity.

Mr. Speaker: Orders of the day.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I should like to ask the government House leader about the business for this week and, if he is sufficiently informed, he might like to go on to next week as well.

Mr. MacEachen: Mr. Speaker, today we will continue with the family income security plan, followed by the Criminal Code amendments, hijacking and privacy, followed by the Farm Credit Act, followed by the Explosives Act, an act respecting wildlife in Canada and the CNR financing bill. I hope to call an opposition day for Monday. I would like to mention that it may not be possible to call these items in the order given, but if that becomes the case there will be advance consultation. In so far as tomorrow is concerned I should like to have some consultation later in the day as to what item might be suitable for discussion tomorrow.

Mr. Yewchuk: I rise on a point of order, Mr. Speaker. My point of order concerns the insufficient number of copies of the bill dealing with the Explosives Act. There are not sufficient numbers. There is great interest in this legislation in the country and we are unable to obtain sufficient copies to provide them to interested citizens in order that they may make representations on this matter before it comes before the House. I wonder whether more copies of the bill might be provided to members of the House.

Mr. Speaker: Order, please. I assume this is a question which normally ought to be directed to the officials of the House, but I am advised that at this moment additional copies are being prepared for distribution to hon. members.

• (1500)

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed, from Wednesday, April 19, consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs and the amendment (Mr. Lewis) p. 1448.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, yesterday while the Leader of the New Democratic Party was speaking to the second reading of this bill he said it was a veritable nightmare from an administrative point of view. I should like to spend a little time today documenting the statement made yesterday by my leader. In the remarks I made yesterday afternoon, I hope I made clear that this administrative nightmare is really inherent in the deficiencies of principle in the bill which are pointed out by the amendment under consideration at the present time.

I suggest very few Canadian people have any real inkling of just what lies before them if and when this bill becomes law. Not all people in Canada will read *Hansard,* but more people will read it than will read the fine print in the bill that is before us for consideration. I intend to spend part of my time in documenting this statement about an administrative nightmare by indicating through some actual references to the text of the bill just what form the nightmare may take. I suggest that if one considers the high number of applicants there have been for unemployment insurance this past winter, and the administrative nightmare that resulted from the operation of that act, one realizes that that was a very mild foretaste of what lies ahead for a great many Canadians if this bill is passed. Indeed, in my view, the two are interrelated.

I would like to suggest also that while my main concern is for the general citizenry of Canada, I do have some feeling for the employees of the government of Canada who, if this bill becomes operative, will have the responsibility of trying to deal with irate and perplexed citizens. In fact, I would go so far as to suggest that what we should be considering, if we are going to pass this kind of bill, is the doubling or tripling of the number of members in this House, because if many of us had to spend a good deal of our time during this past winter trying to unravel some of the difficulties caused by the new unemployment insurance plan, we can be sure that sort of activity on our part will be trebled under this plan.

I suppose one should start with the clause which determines the amount of benefit paid under the bill. I suppose this might be described as the simplest part. It reads:

The amount of a benefit in respect of a child for any month in a benefit year is,

(a) in the case of a child who is less than twelve years of age, $15, and

(b) in the case of a child who is twelve or more years of age but less than eighteen years of age, $20, minus 33 cents for each full $100 of income by which the income of that child's family for the base calendar year exceeds

(c) $4,500 when that child is the only child in the family,

I suppose it is fair to say that that involves a calculation which is relatively simple, so that part of the bill may be comprehensible to large numbers of people. However, the calculations involved become increasingly complicated as one starts deducting 33 cents for each additional full $100 of income. If a person has an income of $4,599.99, and a child who is 11 years old, that child will get $15; but if the income is $4,600, he would only get $14.67. That is perhaps the simplest part of the bill.

However, we then come to the part which is headed "Statement of Estimate of Income". Here we see a close relationship to the kind of calculation that is required of people who apply for the guaranteed income supplement. This section of the bill provides for the filing of a statement of income, otherwise the benefit cannot be approved. There have been complications in the dealings that people in receipt of the guaranteed income supplement have had with the government. Many members are fully aware of the difficulties connected with the adjustment of income and the reclaiming of benefits paid. Those are problems which come to the attention of members and problems with which the administrative officials have to deal. But let us remember that when we are speaking of people who are getting the guaranteed income supplement, by and large we are speaking of people who are receiving retirement benefits or who are in receipt of the basic old age security pension. These considerations do not apply when we are talking about benefits payable to or on behalf of children of parents who are earning an income.

In documenting what I consider to be a complete administrative nightmare, I should like to refer to those parts of the bill that deal with occasions when a family's income is reduced or increased, just to give some idea of the kind of gobbledygook with which an individual citizen is faced. Let me make reference to that part of the bill which reads:

(2) Where at any time during the base calendar year or during the fourth month of a current benefit year a parent

(a) ceases to hold an office or employment previously held by him or ceases to carry on a business previously carried on by him, or

(b) for any other reason suffers a loss or reduction of income, as a result of which event or occurrence it is reasonable to expect that the income of the family for the calendar year next following the calendar year in which the event or occurrence took place will be substantially reduced, the parents may, in such manner and within such time as are prescribed, file a statement of the estimated income of the family for that next following calendar year, in which case the income of the family for that calendar year shall be deemed to be the income of the family for the base calendar year.

(3) Where at any time during the first eleven months of a benefit year, other than the fourth month, or during the eight-month period next before that benefit year a parent

[Mr. Barnett.]

(a) ceases to hold an office or employment previously held by him or ceases to carry on a business previously carried on by him, or

(b) for any other reason suffers a loss or reduction of income

as a result of which event or occurrence it is reasonable to expect that the income for the family for the calendar year in which the event or occurrence took place or for the next following calendar year will be substantially reduced, the parents may, in such manner and within such time as are prescribed, file a statement of the estimated income of the family for the calendar year in which the event or occurrence took place, in which case the income of the family received during that part of the calendar year after the month in which the event or occurrence took place divided by the number of months in that part of that calendar year and multiplied by twelve shall be deemed to be the income of the family for the base calendar year.

Then the bill repeats that exercise in semantics in dealing with the situation when the family income is increased. If anything is going to cause confusion and misunderstanding, is going to leave people not knowing where they stand from one month to the next in relation to the receipt of family allowance benefits, I suggest it is that formula set out in the bill. If one puts that provision together with the new and much more complex provisions of the Unemployment Insurance Act, the result will be that each time somebody files a claim for unemployment insurance benefit he will probably have to file a statement showing what adjustment should be made in the family allowance payments to his children.

• (1510)

I notice that the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) is in the chamber. I know he is well aware of some of the complexities faced by people who made application for unemployment insurance benefits last winter. I ask him to visualize the situation, if he continues to hold that office next winter, when people will not only be in turmoil over whether they get their unemployment insurance or not, but will be in turmoil over whether their family allowance cheques are to be cut off, increased or reduced.

People will be in a turmoil over what to do if they are laid off and their family income is reduced. They will need to know what to do if they are called back to work. I can just imagine what will happen in the case of some of the loggers on Vancouver Island who have been having problems with unemployment insurance. I can just imagine what will happen when they are called back to work again and their income is increased. They will have to go all through this exercise again. They will feel apprehension about their family allowance cheques in addition to worrying about whether their unemployment insurance cheques will catch up with them after they return to work. When the leader of my party suggested that this bill would lead to an administrative nightmare he was not exaggerating the impact of the bill.

In other parts of the bill, there are provisions to extract information respecting claimants from other departments of government. We have had a tradition in Canada that our incomes are known only to the Department of

National Revenue. Now, the Department of National Health and Welfare will have access to income information. In addition to that, income information may be given to the Department of Indian Affairs and Northern Development, the Department of Manpower and Immigration, the Department of Supply and Services, the Unemployment Insurance Commission and to an officer employed in Statistics Canada.

Mr. Knowles (Winnipeg North Centre): It might as well be in the newspaper.

Mr. Barnett: I hesitate to use this word, Mr. Speaker, but to check on this information we will create, under the terms of the bill, what can only be described as a government Gestapo service. If somebody makes a mistake in supplying income information, and somebody also takes the notion that he made the mistake knowingly, that person is liable to imprisonment. According to the terms of the bill:

> Every person who knowingly makes a false or misleading statement in any application or statement required or permitted by this Act or makes any such application or statement that by reason of any non-disclosure of facts is false or misleading,
>
> provides any person employed in the administration or enforcement of this Act or appointed to make an inquiry under this Act with any statement or information that is false in any material part—

The clause then refers to cashing cheques, and so on.

> —is guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding one thousand dollars or to both.

Parents who make application under this legislation and who make a mistake in their applications, are liable to imprisonment for six months and fines of up to $1,000 if someone believes they made such mistake knowingly.

We have come to accept the fact that the Department of National Revenue is the body which polices our income returns to determine the accuracy of them. This may be necessary in order to ensure that all people carry their fair share of the tax burden. But if one starts multiplying that kind of authority and extending it to other government departments, then the ordinary citizen will feel so overwhelmed by this supervision of every move he makes, each time he is laid off, each time he goes back to work for a week or a month, and makes some mistake in reporting his income, that the scientists of Canada should be put to work developing a portable computer for all citizens which could be supplied with the family allowance cheques to help him avoid running afoul of the law. These illustrations support the statement made yesterday by the leader of the New Democratic Party when he moved the amendment opposing the principle of this bill, and suggested that the citizens of Canada had an administrative nightmare ahead of them.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, it is certainly my duty to speak to the motion for second reading of Bill C-170, to provide for the payment of benefits in respect of children.

This legislation, sponsored by the hon. Minister of National Health and Welfare (Mr. Munro) will turn into a nightmare for Canadian families, instead of an assistance measure. The government, I suggest, seeks by this legislation to replace the present family allowance plan which, as is generally known, is a universal plan applying to all children—those under 10 now receive $6 a month, those between 10 and 16 receive $8.

The bill before us purports to abolish the principle of universality instead of merely increasing family allowances. The government, on the one hand, will grant a very slight increase of these family allowances, giving $15 to children under 12, and $20 to children between 12 and 18.

On the other hand, however, while giving this slightly increased amount, the government will be establishing a nightmarish system for families which will end up by disgusting them rather than helping them.

• (1520)

As some hon. members have done before me, I will refer to certain clauses of the bill in order to clarify this point. In the government bill now before us, and according to paragraphs (a) (b) and (c) of subclause 1 of clause 6, a ceiling has been set on family income which, if exceeded, will entail a decrease in family allowances in respect of children and, under some circumstances, their eventual disappearance.

This bill provides that benefits of $15 and $20 will be reduced by 33 cents for each full $100 of excess family income. And as I said a few moments ago, Mr. Speaker, it is interesting to read these figures.

My colleagues of the Social Credit party and myself have made some calculations in this respect to see where we were heading.

For example, if the parents of an only child earn a yearly income of $6,000, the maximum allowable income of those parents will be deducted from this amount thus making a difference of $1,500 resulting in an allowance decrease of $4.95. The benefit in respect of the child will therefore amount to $15 less $4.95, or $10.05.

If the parents have two children, the income ceiling, according to the provisions of the bill, is set at $4,500 plus $500, making a total of $5,000. This amount is deducted from the gross income of $6,000, leaving an excess of $1,000 entailing a reduction of 10 times 33 cents, or $3.30. A child will be entitled in this particular case to $11.70.

This is all very intricate, Mr. Speaker. This is the system which is being foisted on every Canadian family.

For a couple with one child and an income of $8,000, the ceiling is set at $4,500 and the benefit at $11.55. For a family with two children and a gross income of $10,000, the ceiling would therefore be $5,500 and the benefit would decrease by $18.15. Thus we have the picture. And the bill says that the child will not even get 15 cents a month when the allowance is less than $5.

Such a bill has been introduced by the government, Mr. Speaker. How will it be enforced? In the recom-

mendation that goes with the bill it is said that this measure tends not only to provide for the benefits but also to provide for the calculation of such benefits and the determination of the persons or institutions to whom they are payable and the times at which they are payable.

That is very precise, Mr. Speaker. This means that in this measure the government provides for a whole administrative and technical system of red tape to get people into line, to determine whether the children of a given family will receive benefits or not.

To do that, through this legislation, the government provides for a selective approach. Instead of sending family allowances to all children, on a universal basis, as it is doing now, the government removes this principle, which has been taken for granted, and wants to adopt the selective approach. In other words, we are going to give allowances to certain children, on the basis of extraordinary complex calculations to which I referred a while ago.

How will such data be used to determine whether a family is to be assisted or not? A host of civil servants will make the decisions on the basis of increases or decreases in the number of children in each family, as well as on the basis of increases or decreases in family income. This is precisely the point on which I should like to elaborate.

In clause 8, for instance, we read that a statement of income must be submitted with the application. This means that if a family wants to receive family allowances, it will not get them until it has submitted a statement of income each year, somewhat in the same way as for an income tax return.

This legislation also provides that whenever some change occurs in the family income—be it the father's or the mother's—the family has to make a new statement of income. This, according to a very serious study made by technocrats, will have the effect of reducing the amount of allowances by 5, 10, 15 cents, $1, or more.

And if for some reason or other a person goes on strike or becomes ill, which would bring a change in his income, he must, in order to avoid making a false statement, being sued and having to pay a fine, make a statement to inform the government of the new circumstances.

I want to say straight out that I am going to oppose categorically the principle of this legislation which is only going to increase bureaucracy in Canada and to create more annoyances for Canadians. In short, this legislation, far from serving the population, will just increase its problems.

Mr. Speaker, needy families in Canada are already bothered no end because of all the welfare measures—both provincial and federal. A number of investigators go from home to home asking: Do you have any money in the bank? Do you have any money hidden in the house? Have you bought a new fridge or stove lately? Do you have any lodgers here, and, if so, how much money do you get from them, and how long have they been staying here?

Such investigations are being made constantly, and people are being bothered by governments which spend most of their revenues on paying bureaucrats, instead of giving the money to families who need it.

The Unemployment Insurance Act is another measure enacted by the government to help families. It is good in itself, since it provides a worker who is temporarily unemployed with up to $100 per week in benefits. But in order to get it, he must deal with a whole army of bureaucrats, which is a terrible headache, no matter what the minister may say, regardless of the numerous delays. Why? Because the administration has been centralized and the number of officials unduly increased.

I shall give only one example to make the minister responsible for this bill realize what is involved here. There is a provision in this new Unemployment Insurance Act under which illness is covered, provided the patient submits a medical certificate.

But there is nothing in the act about the part to be played by the physician. In fact, the worker who becomes unemployed due to illness has to wait in line to obtain a medical certificate, and until he submits it, he is not entitled to any benefits.

And when he finally gets to see the doctor and to take up his time with that request, the latter issues a certificate between two appointments and sends it to the regional office. The public servant is then entitled, under the law, to decide whether this is a serious illness or not. The public servant reaches that decision on his own. I wonder what sort of ability he has to diagnose people's illnesses. He decides that that person will not be eligible to unemployment insurance benefits because his medical statement is incomplete or inaccurate. The claimant then gets the following answer: You are not eligible, for your medical certificate is incomplete. Therefore he must go through the whole process again, aware that the end result might be the same as the first time.

This shows how ridiculous the unemployment insurance legislation is. Indeed, the government is giving some public servants, who hardly know how to add or to substract, the authority to decide whether people are ill or not. Finally, this legislation is more of a nuisance than anything else.

Now, what are we doing, at this time, with family allowances? Exactly the same thing. But there, the intrusion into people's privacy is even more obvious.

• (1530)

Instead of quite simply giving everyone, with a minimum of bureaucracy, the same right to receive allowances, the government prefers to "divide" the population into two segments, stating that those whose incomes are above $8,000 will no longer receive these allowances and those whose incomes are below $8,000 will be entitled to them, providing they report their income and

what they expect to receive during the year and advise the government of any change in their income, failing which their allowances will be discontinued.

What will happen, Mr. Speaker? It is quite simple. Mr. X's family, living on Y street in Victoriaville, will apply for family allowances. Mr. X will produce a statement of income which will be sent to a public servant. The public servant will compare the statement with the same family's income tax return, checking for possible false statements, and then if all these requirements have been met, and all the complicated calculations mentioned at the very start of my remarks have been carried out, the civil servant may send the family allowance right away. If he finds any details lacking, what will he do? He will say the decision on your family allowance will remain pending unless you supply such and such data, tell us for whom you worked, at what date, how much you earned, whether another member of your family besides yourself is working, etc., etc. The report will then come back to the civil servant who will work out the calculations and it will be months before the individual receives anything.

Mr. Speaker, it might be said: Yes, but there will be retroactivity. But what is the philosophy behind the government's introduction of legislation which, instead of just assisting the people, will strictly contribute to aggravate them? Here is an example of the ridiculous nature of the legislation. In case of a decrease in income, the family will have to file a statement with the government, otherwise the statement will automatically be false, and the family will probably be liable to a fine. These civil servants are experts on fines. What should the family do if the family income is reduced? Here is what the bill says at page 8:

(2) Where at any time during the base calendar year—

This means that the family will have to file a statement five, four, three, ten or twelve times a year, or as often as there is a change in the family income.

I resume the quotation:

Where at any time during the base calendar year or during the fourth month of a current benefit year, a parent

(a) ceases to hold an office or employment previously held by him or ceases to carry on a business previously carried on by him, or

(b) for any other reason suffers a loss or reduction of income,

Whatever this reduction of income may be.

I continue the quotation:

—as a result of which event or occurrence it is reasonable to expect that the income of the family for the calendar year next following the calendar year in which the event or occurrence took place will be substantially reduced, the parents may, in such manner and within such time as are prescribed file a statement of the estimated income of the family for that next following calendar year;

There again, Mr. Speaker, what bureaucratic nonsense. Obviously, the family cannot estimate to the last cent the income it will be getting. Therefore, a statement of an estimated income will have to be filed. If this family makes a mistake, if it cannot anticipate everything, it will be accused of making a false statement, and, consequently will have to pay a fine.

I continue the quotation:

—in which case the income of the family for that calendar year shall be deemed to be the income of the family for the base calendar year.

And so on.

Subsection (4) provides the following:

—that the income of the family—will be substantially increased—

Then, line 39 reads as follows:

—file a statement of the estimated income of the family for the next following calendar year—

And so on, and so forth.

Mr. Speaker, to my mind, this bill is absolutely revolting. It will only add to the dissatisfaction amongst the people, the division between them. For instance, a family with one or two children receives $30 a month, the neighbour will ask how much they get in family allowances? He will be told $30. He can then obviously know exactly what the income of that family is because the same calculation will apply in all cases.

Before, a person's or a family's income was a personal thing which did not concern the whole town or country. Now, because of the system, the government will help to spread that much more dissension among people. That is exactly what the government seems to be looking for. Before, filling out your income tax form was relatively simple. With the tax reform, it has become so complicated a procedure that people must go to an accountant and pay his fee. Now, we will have to make a statement on income with regard to family allowances every time the financial situation changes. Is there anything more ridiculous, more revolting?

I shall give you an example to show what thinking lies behind this, the thinking that inspires the government. When a man becomes entitled to the old age security pension and his income is not adequate, he applies for the guaranteed income supplement. What is such person to do? Another income statement with a check of bank accounts, etc.

Mr. Speaker, why continue to bother the people, to socialize the individual, to control strictly all his activities? Why continue to do so and act in such a way that Canadians are increasingly becoming mere numbers in their country instead of builders? This is the aim of this government. On the contrary, the members of the Social Credit of Canada suggest that we stop bothering the people.

What will be the administrative costs of the family allowances program? It will cost millions of dollars merely for comptrollers, scientists, technocrats, investigators, etc. The remnants or the remainder will be paid as family allowances.

Mr. Speaker, why not establish a realistic social security system in Canada instead of being always negative, always bothering people, always making them dance a few steps before giving them a penny, doling out 42 cents a month in assistance as was the case with the old age

pension? Let us stop this tomfoolery if we are really serious in this House and start a social security program tailored to the needs of the individual. Let us give every Canadian family and every Canadian citizen the possibility of living decently in this country instead of constantly pestering them and giving them nothing but the crumbs left over once the bureaucrats have helped themselves.

Mr. Speaker, if we are intelligent enough to land on the moon, if we are clever enough to ensure that technology and progress keep on growing in Canada, we should be at least brilliant enough to create a financial system that will provide positive social security for Canadians.

I am aware, Mr. Speaker, that they will find it odd, in this House, that social credit is again referred to concerning this bill, but nevertheless this bill is in complete contradiction with the creditiste philosophy advocating for all a guaranteed minimum income so that they may live decently, an income paid automatically without any difficulty and investigation so that they may then keep on improving their lot without stumbling over officials.

I shall give you but one example. You will say: Yes, but this is expensive. But it does not cost more, on the contrary. If administration costs are reduced, there will be more money to give to people and less to bureaucrats.

Mr. Speaker, some of our colleagues say that the situation is not rosy out west. Why? Because the people from that area have too much wheat, too much of everything.

In Quebec things are going bad because there is too much wood, too much milk, in short too much of everything.

In the Maritimes conditions are also bad because there is too much of everything. So, the government clamps down on production.

At the same time, the Minister of Regional Economic Expansion (Mr. Marchand) grants millions of dollars to create employment and boost production. One man says produce more, the other argues against higher production.

I am thinking about the Canadian policy on milk, wheat, fisheries, etc.

• (1540)

The problem in Canada is that we have a sector called the production sector of which the Canadian people should be proud. Instead, three families out of five in Canada are literally starving. The Croll report on poverty changes nothing to the fact that we have over a million unemployed. Indeed, unemployment and welfare have become our main industries in Canada. We let people live in poverty, despite the high volume of production. This is a scandal in Canada: riches and poverty live side by side. And in order to solve the problem of minimum security, the government contrives all sorts of civil service gimmicks to go on irking people who, while they get entangled in all those investigations, will go on starving in their own country.

Yet Canada is the second largest country in the world. It is situated between two oceans and draws its wealth

from unlimited sources, but there is poverty nevertheless. But at the same time Denmark, a small country which can rely only on its mineral resources, enjoys a standard of living comparable with ours.

Japan, which has 122 million inhabitants living on twelve small islands, now ranks third among trading countries in the world. As for us, with a lot of mineral resources and an overflow in every field—minerals, wood products and all kinds of other resources—we give away our hardwood by granting timber concessions without doing anything to ensure forestation. As for softwood, we have so much that our factories, like Domtar, in Trois-Rivières, must close down and dismiss their employees because they cannot transform all the wood. It is the same picture in fisheries.

In this country which is overflowing with wealth, there are people dying of starvation. This administration insists that there must be no inflation, that inflation is at the root of all our problems. Can anyone imagine such inconsistencies!

So, for the past three or four years, this administration fought mercilessly against inflation. To end up with what? Unemployment. And now that we are fighting this new enemy, prices are going up again. This is complete chaos.

And this bill has been given the same slant as those on unemployment insurance, social welfare and all the other plans which this government has introduced and which contributed directly to the growth of bureaucracy and the reduction of the real assistance which families need.

Mr. Speaker, since when does a Canadian government have the power to decide who has the right to live to discriminate between the children of families whose, income is $8,000 per year or less and those which earn in excess of $8,000? On whose authority does it exercise the power of deciding someone's fate while subordinating this right to the hypothetical results of various inquiries?

Hon. members realize that the control of the situation has shifted from the government to an all powerful bureaucracy that gobbles up millions of dollars collected through taxation to administer programs, while the Canadian people are only given bits and pieces.

I would be most interested to know what Canadians had to pay to officials to enable them to increase senior citizens' pensions by 42 cents a month and I would be greatly indebted to the minister who fights for this bill as if it were the apple of his eyes if he could tell us the estimated costs earmarked for the administration of the family allowance plan.

I would like to know what benefits will acrrue to the Canadian people and what will be the administrative costs of this program. But I am sure the hon. minister does not know the answer, because he does not care. He does not care to know how much the bill will cost. What matters is to shore up his control over each Canadian citizen, to increase the rub-a-dub for the Canadian people instead of helping them.

Mr. Speaker, the Canadian people of Lotbinière are thirsting for economic security and freedom. They do not want to be bothered any more. On the contrary, they want to be helped and encouraged to progress in life instead of being discouraged.

Did you ever notice that whenever someone is trying to make headway in Canada there is a government to hamper his efforts?

In the House, I have previously brought forward this fact. If the father of a family is working hard to get a decent income and succeeds in earning over $8,000, he will automatically lose his family allowances. Is it the way a hard-working man is being rewarded for his efforts? This is certainly not the proper way to encourage Canadians to have the interest of their country at heart.

Let us take the case of a student. He does not work during summer but, on the other hand, he will be granted the maximum grant available when he returns to school.

On the other hand, if he worked all summer, he will not be entitled to any bursaries from either government, federal or provincial. As a matter of fact, he will be told: "Considering your earnings of last summer, we cannot grant you a bursary. Therefore, the student who had nothing to do all summer long will get a bursary whereas the one who worked will not get anything. This is surely not a way to encourage people to help build their own country.

What afflicts me is that in spite of past experiences, in spite of the noisy display thrusted upon this House by the government, this same government is still following the way of control, which amounts to dominating the individual and assigning him "ceilings". The work and energies of the individual are subject to a never-ending control.

The same may be said of the farmers. Whenever one of them exceeds his milk quota, not only is he deprived of any encouragement on the part of the government, but he also has to pay a tax, or a fine for having worked too hard. That is most economical!

Mr. Chairman, conditions have become unbearable. Our economy will never progress if it feeds only on the eloquence of our ministers. The Canadian economy will never work that way. Indeed, it will only work inasmuch as Canadians will play the game, inasmuch as the government will stop pestering them. Instead, let us give them whatever encouragement we can so they may co-operate in the building of a nation of their own.

Mr. Speaker, there is no other way. We must stop—and that is urgent—passing legislation that will merely help divide our people, to emphasize class struggles and discourage the individual.

Mr. Speaker, I am sorry to have to tell the House such things. I am really sorry to see the Canadian people in their present situation, due mainly to their having a majority government. The government claimed that with a majority, it could settle all problems, that a majority government was absolutely necessary to prevent disorder in Canada, to build up a sound economy and check unemployment.

Mr. Speaker, we have a majority government. What is it doing? It introduces measures designed to discourage initiative. More and more I have the impression that there are fewer and fewer people working in Canada and that it is the working people who provide for the increasing number of those who remain idle.

Mr. Marchand (Langelier): No, this is not true!

Mr. Fortin: The Minister of Regional Economic Expansion says it is not true.

Mr. Speaker, I invite him to visit my riding again, where he is always welcome, and not to keep to Liberal circles. Then, I will introduce him to the people of Lotbinière and he will find out that I am telling the truth.

On my street, Mr. Speaker, a father of eight children is working 14 or 15 hours a day. Because of that, he will be deprived of his family allowances, since he is earning over $8,000 a year. His neighbour, another man with a family, is on welfare and can support three children. That one will get the maximum allowance.

Perhaps the Minister of Regional Economic Expansion will tell me that this is all normal. As for me, I would tell him that I find it awkward to tell a worker to keep on working with all his heart, his energy, his life and his health and that whever he will earn over the ceiling will be given to someone else!

Mr. Speaker, I maintain that Canadians are entitled to live in their country and unless this government recognizes the right of Canadians to build their country, disagreement, the current conflicts in Quebec, social troubles which hurt us so much, and economic slowdown will prevail. This is due to the fact that everybody's problem is a money problem, and not a constitutional problem; it is not a problem of language, economic expansion or regional differences. We have reached the point where the whole country should be considered a designated area.

• (1550)

Mr. Speaker, I shall conclude by saying that the government has a choice to make and that it should make it now because the people are going to make it soon. Either we go on adopting gimmicks such as the one before us today, which only serves the purpose of irking the people and increasing the powers of technocrats, or in other words we go on treading the way of extreme socialism, or else we change our course and deal with the true problem in Canada, which is financial in character, we give each human person his freedom and security. and we recognize the right of each human being to life and security.

Mr. Speaker, I often ask two questions to which I have never been able to get an answer. Perhaps the minister could tell me how it is that we make reforms in all fields—it would take me longer than this day to list them all—except in the one monetary field.

I ask the minister why we can discuss any matter, except something which is taken in the House, the banking or financial reform. This golden calf is so sacred that we must hide to speak about it.

Mr. Speaker, the minister tells me that it is normal, because everything is okay. I strongly urge him to come and explain that to the Canadian people. It is urgent!

Reforms have been made in every field, except in the monetary field. When we refer to family allowances, etc. we hear not a word. All's well. When we mention the constitution, we hear not a word. All's well. When we refer to languages, we hear not a word. All's well. Discussions are sometimes held between Ottawa and the provinces, but they always boil down to the same problem, to wit who is going to tax: Ottawa or the provinces. Finally, everybody is speaking about financial matters, but instead of dealing with the monetary problem, the debate is carried on.

Mr. Speaker if the minister prefers to keep with those people who talk, good for him. As for me I would rather be with those who do things.

[*English*]

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, after the speech we have just heard, I am pleased to have the opportunity to say a few words in defence of this bill. The measure now before parliament proposes a new family income security plan which will directly benefit two and a half million Canadian families. One half of those families, that is, 1,250,000 Canadian families, will receive the maximum benefit under this plan, which is $15 per month per child under the age of 12 and $20 per month per child between the ages of 12 and 17. And these are non-taxable benefits.

The effect of this plan is to redistribute income, to place additional buying power in the hands of those who need it most. That is the basic principle of the bill and it is one which must be emphasized in the course of this debate. Although it is almost impossible to define in an objective way exactly what is meant by social justice, I am satisfied that the plan before us at least approaches such an ideal. It is true there are those who will cease to receive the family and youth allowances. But a wiser man than I once pointed out that social justice is not a single and simple ideal of society but that it is an essential part of a great complex of social change, and that to achieve it some things may have to be sacrificed. In this case, those with greater earning power in our society will have to sacrifice the monetary pittance which they now receive from the family and youth allowance plan.

No one pretends that the new family income security plan will of itself eradicate poverty within our borders. But it is an essential part of an evolving federal program designed to bring about total income security. It coordinates with the old age security plan, the guaranteed income supplement, the Canada Pension Plan, unemployment insurance and the Canada Assistance Plan, all of which are designed to help ensure that needy families keep a roof over their heads, bread on the table—with perhaps some meat as well—and the bill collector away from the door.

It may be that those who succeed us in this chamber in years to come, will regard these various plans and programs as merely timid steps toward a full scale guaranteed annual income. Such a massive extension and intensification of social justice as this may well be enacted in due course along with an amendment to the Bill of Rights stating that all Canadians have a democratic right to consume at least a basic minimum of the goods and services produced by a high-geared technological society such as our own.

Some Canadians, including some members of this House, have expressed concern about the complexity of the family income security plan, despite assurances as to the efficiency of operation of this plan thanks to computer programming.

An hon. Member: Like the unemployment insurance plan?

Mr. Penner: I am coming to that; just be patient. Many citizens envisage arguments and disputes with bureaucrats about their benefits. They see themselves engaged in exchanges of correspondence with officials, appeals to members of parliament and general fuss and bother such as one hon. member just mentioned has gone on in connection with the unemployment insurance plan. We all know there were difficulties with that plan for all concerned, most particularly for the beneficiaries. But it seems to me it should not be beyond our skill to work out a system under which those who qualify for benefits under the new plan will be spared the agony of having to make a case for what is due to them under the law. I really think the minister should assure the House that his officials are, in fact, making all the necessary arrangements and that a computer programming system has been developed which will make the administration of the program as simple and convenient as possible. I am confident that this can be done.

The family income security plan does not come cheaply. It is estimated that it will cost approximately $800 million a year, which is $150 million more than the present expenditure on family and youth allowances. If the government were to retain the existing universal scheme while doubling the amount of the benefits, the cost would rise by an additional $560 million per year. The family income security plan, costing much less, puts more dollars in the places where they are most required. I agree with the minister that it is a more efficient use of the tax dollar.

Opposition spokesmen have been critical of the selective nature of the plan, arguing that the move to selectivity makes it a welfare program, something which universal payments avoided. Do they also argue that selective payments or subsidies to various sections of the agriculture industry are similarly welfare schemes? In northwestern Ontario, where the forest products industry is king, we would dearly love to benefit from something similar to the Prairie Lift program, or from a two-price system for our products. But the need for selectivity has ruled us out. While we do not like it, we realize it is a necessity of life. By the same token, it seems to me that thousands of Canadian families need help, also on a selective basis, in meeting their obligations as parents.

This is something that will not only benefit them but help the economy because the money they will spend will be mainly on essential items, thus helping to bring about an acceptable level of family living.

• (1600)

Returning for a moment to that difficult concept of social justice, it seems apparent that justice requires that all shall have the chance to follow the natural human instinct to make for themselves a reasonably happy and satisfactory life. In so far as income redistribution can help achieve that end, governments have a clear and unambiguous obligation to act. To have an equal concern for the good lives of its members requires that society treat people differently, selectively. The unemployed and the sick receive certain benefits. The old receive pensions. Those with families and small incomes receive income supplements, and all of this on a selective basis. The principle of selectivity is fair, it is equitable and it is logical.

I see the family income security plan as an investment, a social investment in families and persons, an investment in which there is almost certain to be a return in human values. If we do not have this plan, or one similar to it, then other and possibly less acceptable means must be found to assist those families with a greater need. Going cap in hand to some agency or another is not the answer, because it humbles our citizens and spawns an attitude of bitterness and resentment.

I see the family income security plan as being an enrichment of the concrete substance of civilized life. If there is to be an enrichment, then it follows almost as an axiom that there must be selectivity. Why fertilize soil that is already rich and producing strong, healthy plants? Some political writers have contended that maintaining a minimum standard of living within a society has less to do with justice and more to do with basic humanity. They have said that the maintenance of minimum standards is a requirement of humanity rather than of justice. All of this is merely semantics. Whether the family income security plan is an example of social justice or whether it is just plain humanity does not matter very much. What does matter, it seems to me, is that this bill receives the support of all hon. members so that it can be passed quickly into law in order to provide financial assistance to so many in this country who are, and will be, dependent upon it.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, when you read this bill, and it is not a simple bill, you begin to wonder what actually is the basis upon which the government has introduced it. Is it because the young families of this nation have pressured the government to introduce a new measure? Is it because, for economic reasons, they need more money to raise their families? Is it because the government and its provincial counterparts have come to the conclusion that the normal annual increases in these payments are growing at such a rate there is not enough money to go round? Was this bill drafted in an honest effort to give more money to those who need it and less to those who perhaps need it less? Was it designed to create actual savings in tax moneys so that less tax dollars would be flowing out? What was the basis for the bill?

When you analyse this bill, Mr. Speaker, it is difficult to find any real basis for the introduction of the measure in its present form. In the present election climate that we are facing, politicians are asking themselves whether this bill was delayed and designed to be one of the last bills in a dying parliament in order to influence voters at election time. Was that the basic reason for the bill?

When you try to answer these questions as honestly and earnestly as you can, you begin to feel that, whatever your doubts, you have sound reasons for those doubts. It seems that during its tenure of office the government has sought to make changes, one after another, to many of our basic laws and basic establishments in the land. Although the reasons for such changes appeared logical at the time, the results under this government's administration, unfortunately for the people of Canada, have in many instances been almost chaotic. Though the government tends to shift the blame for some of its maladministration to the civil service, many of us in this House believe the fault lies in the way these new policies have been introduced. The way they have been drawn up makes it almost impossible to have practical administration.

May I point out some concrete examples of what I mean—and I am not being facetious, Mr. Speaker. I think something is drastically wrong. We changed the basic concept of the postal service in Canada on the premise that we were going to introduce new electronic devices and computers, that we were facing a new age with new methods. Is it not really shameful that we must now face the fact that under this new administration, this new and polished system, it takes as long to send a piece of mail across a street as it took to send it from coast to coast under the old method?

We were told that we were going to have a brand new Unemployment Insurance Commission with a brand new approach to this very complicated subject. We were going to close down all the little local offices and concentrate operations in large computerized centres so that in seconds we could provide a service which perhaps took days before. But what has happened? The story is known nationwide. There has been utter chaos. Instead of reducing the time period within which cheques were issued from days to seconds, in many instances the time has been increased from days to weeks and months.

Then, the government brought in its tax bill, which was introduced as a measure of reform, as a method to simplify tax returns for those who must pay taxes. This bill, it was suggested would make it easier for people to compile the tax they owed the government and would make collection easier. Again, what has happened? The new tax bill is so complicated and complex that even those who produced it say privately and publicly that they do not understand the full ramifications of the measure.

In the case of the armed services, we joined the three branches together. That was another change made by the government. What happened in that case? We have far more chiefs in the armed services than we have Indians. We had mass dismissals of air force personnel and army officers who were deemed to be superfluous. Only a few months later, we were offering advance pension plans and bonuses to these people to rejoin the armed services.

• (1610)

After all this experience with the problems which have evolved through lack of proper planning and proper consideration of change, we are now being asked to change the family allowance plan. I was very interested to hear the member who preceded me say that our doubt about the complications of administration could be put at ease because through the use of computers the administration would be simplified. I will use his figures. He spoke about 2½ million families receiving these family allowance benefits. I have taken the liberty of referring this problem to a firm which deals with computations and computation machinery. Based on the provisions of this bill, it is their estimate that a single family in a normal lifetime could have as many as 400 different calculations of their family income. When we use the figures given to us and multiply them by 2½ million families, we come up with a substantial figure in respect of administering this one segment of the bill. This provision will require as many as 900 million to 1,000 million different compilations and calculations if made annually, but in the bill there is provision for making it, in certain circumstances, every four months.

In respect of the computations the Unemployment Insurance Commission will be required to make, it is estimated that an additional 8,000 civil servants will be required in various capacities to administer this single piece of legislation. This is the type of thing with which we are dealing. What is the basis for these changes? Is it that we will spend less money on the new family allowance plan? If we save any money as a result of the changes made by the bill in respect of payments to families, we will spend those savings and even more in the administration of this piece of legislation. I say parliament is making a tremendous mistake in trying to change a principle without enough background knowledge and investigation into the very services that are necessary to administer it.

I should like to deal with some of the complications. We are told, first of all, that payments are to be based on income. Many speakers who have preceded me have dwelt on this particular subject, but I am seriously concerned because there are a tremendous number of small family farmers who, under the present legislation, receive family allowances. I suggest that family allowances form a very important part of the over-all income of the small family farmers. Unfortunately, as a result of the economic position of farmers today, it is necessary for many of them to have this type of additional income. What will happen? Some of these farmers will find that in order to receive any family allowance payments under this legislation, they will have to file a very complicated income tax return every year. There is nothing more variable today than a farmer's income. If every 4 months he has to inform the department of a variation in his income in order to qualify for family allowance payments, this will create a tremendous hardship and a lot of confusion. I feel many of these people will throw up their hands in disgust because they will be unable to cope with it. This is the type of thing the government is asking us to substitute for what we have. The preceding speaker said that if we kept the principle of universality and doubled the payments it would cost perhaps an additional $500 million. He said, also that as a result of the provisions of this bill, the cost would increase by $150 million, so we are talking about a difference of $350 million.

I venture to say that if we adopt this type of legislation there will be very little of that saving of $350 million left, because I am of the opinion that most of it will go towards providing new branch offices, new inspectors, new computers, new buildings, and new departments. There will be a tremendous new list of workers in the public service; that is what will happen. Anyone who feels that this new plan will save a lot of tax dollars has only to study some of the ramifications of this bill. It becomes more and more complicated. When we look at the provisions of this bill, one of the first things which strikes us is this: Perhaps 30 per cent of the present recipients of family allowances will no longer receive them; another roughly 30 per cent will receive less money, and the remaining third will perhaps receive more money. The whole basis of the plea the government has made on this particular point is that this one third will receive more money, and that this is the third which really needs it the most. I wonder if this is true.

I was impressed by a particular point made by the speaker for the Social Credit party because it had not occurred to me. He said what we are doing is taking away the incentive of the heads of Canadian families to provide an ever-better living for them because, under this plan, the man who works the hardest to earn the most income will receive the least amount of family allowances. He will be taxed two ways. This will destroy his incentive. He will be taxed to provide some additional money for family allowances if he is in the higher income bracket, and he will have the family allowance taken away from him when we destroy the universality of the plan. So, it is all right for the government to say that some of those in the lower strata will receive more money, but why does the government not say as well that many families which today receive family allowances will be paying double taxation under this legislation. This is what bothers me. These are some of the things I must look at when I am being asked to deal with this legislation. It is, in effect, another proposal by this government which, although the principle may appear to be sound, because of the manner of its application will be almost impossible to administer and the people who are supposed to benefit will be the very people who will suffer.

• (1620)

I am wondering about another point. The legislation provides that in order to qualify a person will have to file a statement of his income, and that there may be an exchange of this information between departments. This is serious. Does this mean that if an individual who feels he qualifies for family allowance under the new regulations files his statement of income, this information will be compared with his income tax return filed with the Department of National Revenue? Is this the comparison that will be made? Is this how it will be checked? Will the incomes of the citizens of this country become public property and public knowledge? Do we have to make public all the income and business returns of a family; is this what will happen? This is what the situation appears to be under the terms of this legislation.

I hope the minister will explain some of these things to me in order that I might understand them more fully and in order that the people whom I represent may have an opportunity to understand them. This would be a change in the policy which has existed for a great many years. It is amazing, indeed, when one realizes that over the years many families have used their family allowances for specific purposes, such as the college tuition of the child involved, pension or a trust, special wardrobes or any of the other special expenses which families have to meet. What will happen when this bill is passed? Many families have counted on this money for years and suddenly it will be stopped. What will happen to a family which has been counting on this money to send the children to college? The family has had to live from day to day on earnings, and this little extra every month has been set aside for a specific purpose? What will happen when it is cut off? This is the type of hardship that the cold clauses of a bill often fail to take into consideration.

We who deal with this type of legislation sometimes become so involved in the legal phraseology that we forget the human element. After all, this is the important element and we must consider what we are doing for people. I feel that this legislation will cause an emotional disruption, as has been pointed out by so many people. It will cause an emotional disruption when there are two neighbours on a street who are placed in a different category and who receive different rates of family allowance for children of the same age, when we have people in different regions who, because of the normal economic returns for families, receive far less than people in other regions, or when we have people who have an excess of income one year and who are faced with scarcity the next year. As a result of four months of plenty when they do not need it, they will be registering for the four months of scarcity when they cannot get it. So, we will have hardship after hardship.

Although the principle may be sound, I feel that we will not satisfy the people of Canada because those who will be struck off the rolls of recipients of family allowances will feel that they have been discriminated against and those whose family allowances will be reduced will feel they have been treated as second class citizens. I venture to say that the very few people whom this government is desperately trying to help, those who are in poverty and on welfare, will be directly helped by increases in family allowances. However, they will be just as dissatisfied because they will feel that under the changed plan the family allowances they will receive will not be high enough to improve their standard of living.

These are the reasons I am very much concerned about this legislation. First of all, I do not think we are solving a basic problem. Second, I think we are interfering with an established practice and changing it in such a way as to cause chaos. Third, I feel that we are bringing in just one more piece of legislation, the administration of which will be almost impossible. Fourth, I am definitely of the opinion that if we do pass this legislation we will not satisfy the people of Canada, and we will not satisfy those who will be called upon to pay. This is the group of people whom we sometimes forget. We are certainly humanely concerned with those who do not have enough, but I wonder if we ever stop to think about those people who have enough but on whom every year we impose a greater and greater financial burden. When will this stop?

These people have rights and they are concerned, and justly so. Perhaps they do not need family allowances as desperately as other families but they will feel discriminated against. Certainly, they pay taxes to pay for the present program, and in receiving family allowances they are on the same footing as every other family in Canada, but their level of income makes them subject to greater taxation. They were prepared to accept this program and through the years there has been very little criticism of it, but now they are being told that not only will they be called upon once more to pay for this program but they will be written out of the contract entirely; they will no longer be eligible for family allowances. This is how double taxation is imposed.

There is one other feature of this legislation to which I should like to refer before concluding. Have we not reached a strange state of affairs in the administration of economic justice in this country when we find ourselves ready to reduce the payments for any child in any family to 42 cents a month? This figure has been bandied around because it is the same amount by which the old age pension was increased. When I appealed to my friends to compile as fairly as possible, the cost of administering a 42 cent cheque, I discovered—and I would like to have this checked—that we will be paying $3 in administrative costs every time we send out a 42 cent cheque. This is what the government is trying to tell us will be the Utopia when we are under a computer system and pay people according to their needs. I wonder if anybody will profit under such a measure.

• (1630)

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, when I spoke on this bill at an earlier stage I likened it to an umbrella that was full of holes, and said we had no choice but to accept it in view of the heavy rain shower that we were suffering. In the

interim, I and a number of my colleagues have had a chance to study the measure more closely. Now, I find that the leaky umbrella, full of holes, has collapsed into a mass of metal ribs and torn cloth. It is completely useless to do the job of providing family allowances for people across the country.

Had there been any doubt in my mind about this, I feel sure the debate during the last few days would have removed it. Member after member has brought up points regarding this complicated way of dealing with family allowances, indicating that it is an impossibility, and is an unjust and unworkable measure. As a result, I feel we have no choice at this stage but to abandon the project entirely and introduce a better one in its place. The faults in the bill have been enumerated. I will simply mention them again because they have been thoroughly discussed. The biggest one is the departure from the principle of universality, a principle which was established years ago and which has worked well. What was really required was an increase in the amount of the allowance to bring it more closely into line with today's cost of living.

The second fault is the distortion of the family allowance system from one of ensuring a little more well being for families into one of welfare, to be used exclusively as a social assistance measure.

The third bad feature of the legislation is that it will increase the division of the Canadian people into the have's and have-not's, particularly at a time when it is being borne in upon us at every hand that what we need is much greater cohesion and co-operation among the different sections of our people. At such a time it is most deplorable to divide them still further by such a measure.

The fourth bad feature is the administrative nightmare that the bill will bring about. This is something that has been dealt with thoroughly. When the hon. member for Kent-Essex (Mr. Danforth) was speaking, I remembered what one of his colleagues had said earlier in this debate that it had been calculated with respect to measures of this type that only about nine cents out of every dollar reached the people for whom the money was intended. I am not at all enamoured of the way in which computers, armies of bureaucrats, yards and yards of red tape and oceans of paper are supposed to be saving the taxpayers money. I believe that the system of family allowances that we have had, with its universality, is an infinitely better, simpler and fairer method than what is proposed here.

The fifth bad feature of the bill is the costs it will place upon taxpayers who are already over-burdened and who will not share any more in family allowances. One thing we ought to have learned on this continent is that taxpayers do not forgive governments when they are taxed without receiving any share of the benefits. This is exactly what this measure proposes for at least a third of the families in Canada.

The sixth bad feature I would mention, and it is something that has not yet been successfully contradicted, is

[Mrs. MacInnis.]

that the children of social assistance families will get only half the benefits. I am still waiting for a successful refutation of that statement, and the fact it is so slow in coming indicates there is doubt about the way the bill has been drafted. I will put my faith in my party leader, who is a very competent legal person. He tells us that according to his reading of the measure children in families that are on social assistance will receive only one half of the benefits of the family allowance.

But more than all these things, what brought me to change my mind with regard to the bill was my realization that this is part of a pattern whereby the government is singling out a group of taxpayers, those in the lower middle and lower income brackets, and telling them, "Look, there is only so much money available for family allowances, for old age pensions, or for whatever social measure is under discussion." The government is telling these people, "If you do not want to be crushed into the ground with taxation we must modify the scheme to make sure that instead of universality the money is given to those who need it the most. This is the only way in which you people can be saved from being completely crushed into the ground." It is this pattern, which is completely dishonest and ruinous, that has made me decide that the time has come to make a stand and say we want no more of this deceptive way of slipping things over on the Canadian people. This is the method which the government uses to slip over basically unfair and unjust legislation on the people of the country.

The government tells these over-burdened taxpayers, "We cannot afford to keep this universal system any more. We regret it." As the hon. member for Thunder Bay (Mr. Penner) said a little while ago, "We are building the edifice of social justice, and in the process of building, something has to go." What is going is social justice. It is regarded as a crime in Canada to be poor. In the view of many people that is the most evil crime in the country. I repeat that the government tells these over-burdened taxpayers, "We have to limit the family allowance to the people who need it most. We have no more money." Why didn't the government think about that last fall when the tax reform bill was under discussion, when these same lower-middle and lower income groups were saddled with a tax structure which took far more than their share from them, and did not equalize their burden as the incomes of rich people and of corporations rose higher on the scale? Why did this government not say, "We want to readjust our family allowance scheme, to modernize it; we must put in a fair tax system so that those people who are able to pay for family allowance can be taxed when the time comes to make the payments under the scheme." Why did they not do it then?

• (1640)

Let me give some evidence, Mr. Speaker. Recently, a seminar sponsored by the Nuffield Foundation of England under the auspices of the Canadian Council for Social Development, was held in the Laurentians, not far from here. A number of eminent people attended, amongst

them Professor S. M. Miller of New York University and Professor Martin Rein of the Massachusetts Institute of Technology. The latter informed the gathering that if Canadians are ranked according to income, the lowest 40 per cent of the population earned 15 per cent of the country's total income in 1969. The top 40 per cent earned two-thirds of this group. Professor Miller said:

> This means that more people are getting rich than are moving out of the most intense level of poverty—this means that those in the lowest group have become relatively worse off, farther below a standard of living which has shifted upwards.

It is these lower levels who are losing out on the rising standard of living in this country, yet they are bearing the burden of the cost of the social welfare schemes.

We are told there is no money for family allowances. But we hear estimates of up to $10 billion for the Mackenzie Valley pipeline and $10 billion for the James Bay hydro and other projects. On Sunday last on CTV the Minister of Energy, Mines and Resources (Mr. Macdonald) forecast that $50 billion will be needed for resource and energy development in Canada over an unspecified period. We know that $1 billion has been spent by DREE since it was founded. There is plenty of money for pipelines and things like that, but no money for people and the needs of people. This is why I believe this bill should be scrapped. We hear talk about the various kinds of evils in government, but I believe there are few evils more insidious and dangerous than those which crusade under the clichés of the just society while pulling the rug from under that group of taxpayers that is hit the hardest. People talk about the increase in the gross national product, but what is the use of that if the GNP continues to be distributed unfairly to the people of this country? That is what is happening now. I cannot get excited about the growth because I know that the more gross national product there is, the more unfair will be the distribution to the people.

The Royal Commission on the Status of Women made a number of suggestions and outlined a number of measures to protect family life in this country. They recommended child care allowances over and above the present system of family allowances. All across Canada, women have been waiting for action to be taken on the recommendations of the commission. The report was tabled around Christmas, 1970. It had 167 recommendations but so far only two of those of any substance have been implemented, both by the minister of labour last session when he brought in legislation under the Unemployment Insurance Act to look after the confinement period of pregnant women, and legislation for the Public Service of Canada which guaranteed that women could have pregnancy leave without injury to seniority and other benefits. These are the only recommendations of substance affecting women that this government has implemented so far.

How long do the women of Canada have to wait for some guarantee or indication of interest on the part of this government? I know all about the task forces that have divided up the recommendations and are studying them, but I also know that task forces, commissions, boards, white papers, and all the rest are used as a means of putting off the evil day of action. I regret to say that is what appears to be happening in this case. In the Speech from the Throne on February 17, 1972, there appeared this sentence:

> Another step and long overdue, consists of policies to ensure the equality of women in Canadian society. These will be announced this session.

The only announcement that this government has made so far this session relative to that sentence is to the effect that one million mothers will be deprived of family allowances and that the children of mothers on social assistance will get only half of the new family allowance. This is a blow and an insult to the mothers of this country and they are not going to overlook it.

Time and again my colleagues in my own and other parties have pointed out what those family allowance cheques have meant to the mothers of this country. Often the lowest income people have had to use the cheque for food, clothing and the necessities of life, while families a little higher up on the income scale have used it for things like school supplies or have put it aside so that the children may have the advantages of higher schooling later on or other things that are deemed necessary. Now, with one stroke of the pen, this family allowance cheque is to be taken from a million mothers on the ground that they are wealthy and do not need it. The government will not get away with this. People will realize, as some of them do already, that it is just plain dishonest presentation and deceptive packaging to say to those mothers "You do not need it and you will have to sacrifice in order to give the lower income families a little bit of a family allowance cheque." They know about the machinery of giving the cheques out and then taking them back again through taxation from those who do not need them. But they won't use this basically fair method.

Just the other day the minister asked me "What is the difference if you give it out and take it all back?" If he only knew about the psychology of women, he would know that often the family allowance cheque is the only money they have to call their own, that they can rely on at all times. It makes a tremendous difference when they know that they can always have that cheque at their disposal instead of having to go to sometimes stingy husbands and ask for an allowance—present company is always excepted, of course. However, there are a great many stingy husbands in this country. Some women have to beg, and they are not going to forget it.

• (1650)

I tell you, this legislation will sharpen people's vision very considerably. They will watch money being poured out like water in the hiring of hordes of public servants who will administer this legislation. They will read the little pamphlets sent out by the government and learn how to keep on the right side of the law, how to avoid being sent to jail if there are fewer children in the family than previously reported, or if certain children become too old for benefits, or if there are changes and improve-

ments in the family's income. People will be pestered to death with administrative details, and they are already being pestered almost to death in many such ways. Talk about computers! Some on the government side have so much faith in computers that they have begun to lose all sense and reason through not using their own brains.

Some hon. Members: Hear, hear!

Mrs. MacInnis: Computers are taking the place of brains. I must speak strongly. It is high time the government opposite looked at the homes of this country and considered the mothers who, under difficult conditions, have tried to keep the homes of this country intact. They have tried to keep the home in good order during these difficult days when many forces are working to tear it apart. These women appreciated that small piece of evidence which indicated the government recognized they existed, the family allowance cheque.

A few years ago I tried without success to get the government to pass legislation to provide a salary to mothers who wanted to stay home and look after their young children. I wanted that salary paid to mothers, so that they could stay home instead of having to get a job in a factory. And would the government do that? Oh, no. The government would not go for that. Now, it is going much further. Now, that family allowance cheque which has meant so much, and which has enabled mothers to buy small amenities for the family, is to be taken away from a great number of families. The government is not satisfied with insulting women; it is not satisfied with neglecting to do anything with the report of the royal commission; it is prepared to snatch away the only bit of money that is paid directly to women and which women have a right to expect.

Mr. Rynard: Shame!

Mrs. MacInnis: Mr. Speaker, this is not a war on poverty that the government is conducting; it is a war on women. It is a war against the family.

Some hon. Members: Hear, hear!

Mr. Knowles: (Winnipeg North Centre): And they cannot win it.

Mrs. MacInnis: They cannot win it, that is right. That is a war the government cannot win.

Some hon. Members: Oh, oh!

Mrs. MacInnis: If some hon. members enjoy my putting it this way, I hope they will laugh heartily now. The laugh will be on the other side once it becomes necessary to administer this measure.

My party has made a counter proposal. May I repeat its three main features. First, we have asked for a substantial increase in family allowances. Let no one tell me that there is not enough money, because I will tell any hon. member who suggests that the things on which the government is spending money. I will read excerpts to show what is being done with pipelines and all kinds of other developments, while the homes of this country are being shamefully neglected.

Some hon. Members: Hear, hear!

Mrs. MacInnis: The second feature of our proposal is the recommendation that this program be universal in application. I say to the government, for goodness sake, even though it has alienated many sections of the Canadian public, so much so that it is scared to go to the country in June, let it not alienate the mothers of this country further. Let the members of the party opposite not do that if they have any regard for their future, either in government or in opposition. Third, we want to see related changes in income tax laws. We are not a bit happy about what was done last fall. We said so then and we will continue saying so. Again, I say to the members of the government, when they are outside this House talking about the goodness of their own legislation and the badness of the opposition, for goodness sake keep your guard up. Do not go near any mothers of this country for I warn you, hell hath no fury like 100 million mothers who have been scorned and whose social assistance has been cut off.

An hon. Member: Should that not be one million?

Mrs. MacInnis: I meant one million. If I said 100 million, I must have said it to make the government realize just what it is up against. I wanted to warn the government thoroughly. One million angry mothers represent trouble for the government. Let it take that into account and consider the mistake it is about to make while there is still time to change this measure.

What the government is trying to do is dangerous. It is dangerous for the homes of this country and dangerous for the government, if it wants to survive. It is also dangerous for this country where people still cherish the idea that parliament is where you can get social justice, if not actually, at least potentially.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas)—Oil—Inquiry as to revoking of drilling permits for British Columbia coastal waters; the hon. member for Dartmouth-Halifax East (Mr. Forrestall)—National Defence—Rent increases for married quarters—Suggested delay until parity with public service achieved; the hon. member for Comox-Alberni (Mr. Barnett)—Pollution—Wrecking of freighter "Vanlene" near Pacific rim park—Steps to supply adequate equipment for clean-ups and strengthen navigational rules.

[*English*]

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs and the amendment (Mr. Lewis) p. 1448.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have listened carefully to the hon. member for Vancouver-Kingsway (Mrs. MacInnis) who, quite logically, stated that the government was prepared to spend billions of dollars in any area except in that of family allowances.

Needless to say, we did not wait for the opinion or proposals of the hon. member for Vancouver-Kingsway and for years we have been asking that family allowances be increased and related to the cost of living. I think the créditistes have been the first to say in this House that family allowances should increase with the cost of life.

However, family allowances have not been increased for many years. Nevertheless millions and even billions of dollars have been spent in many areas except to improve the living conditions of young Canadians.

The hon. member stated earlier that the James Bay project, the building of a pipeline, and so on, would cost $10 billion. Recently the Minister of Public Works (Mr. Dubé) I think mentioned $50 billion. No restrictions is mentioned for this project and still the government has no time to help Canadian children.

Just two weeks ago I was informed that the offices of the Prime Minister (Mr. Trudeau) have been completely renovated at a cost of $28,000 for carpets and armchairs.

• (1700)

The Prime Minister has never said that Canada did not have enough money to put down new carpets or replace arm chairs when existing ones were still serviceable.

The taxpayers' money is being spent by the millions and we do not find the means to effectively help needy Canadians. This administration is said to be honest, rational, progressive and fair. I believe that social justice exists within the Prime Minister's office. But I do not believe that social justice exists for Canadian children. A member of the New Democratic Party has tabled the following amendment, and I quote:

That Bill C-170 be not now read a second time, but that it be resolved that in the opinion of this House the government should give consideration to the introduction of legislation amending the Family Allowances Act and the Youth Allowances Act to provide for a substantial increase in the allowances paid thereunder, for continuing the principle of universality, and for related changes in the income tax legislation.

Mr. Speaker, the principle of universality in respect of family allowances should be adhered to, otherwise the enforcement of this legislation will require, all over Canada, a frightening bureaucracy in order to determine who is entitled or not to an allowance of $4.55 or $5.85.

Mr. Speaker, may I call it five o'clock.

The Acting Speaker (Mr. Boulanger): Order. It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers) and public bills.

As no private bills are listed on today's order paper, the House will proceed forthwith to the consideration of notices of motions (papers).

[*English*]

PRIVATE MEMBERS' MOTIONS FOR PAPERS

MANPOWER

REQUEST FOR COPY OF STUDY OF MANPOWER UTILIZATION OF THE MANITOBA GARMENT INDUSTRY

Mr. David Orlikow (Winnipeg North) moved:

That an Order of the House do issue for a copy of the study by Summerour and Associates Inc., Atlanta, Georgia, undertaken for the Department of Manpower and Immigration regarding the "Analysis of the Manpower Utilization of the Manitoba Garment Industry".

He said: Mr. Speaker, I raise this question for two reasons. First, I think it is important that this material be made public because of the problems which confront the garment industry and, indeed, the whole clothing and textile industry in Canada. These industries have traditionally been and still are to a very large extent labour intensive. There has been very little mechanization in the garment industry. A very high percentage of the cost of producing the garments which are produced and sold in Canada and worn by Canadians goes into the payment of wages for the workers in this industry.

This industry is going through a period of great upheaval. It is buffeted on all sides from the importation of competitive goods from countries which have traditionally paid substantially lower wages than those Canadian workers receive. Countries such as Taiwan, Mainland China, Japan and areas such as Hong Kong, where the wage rates are fantastically lower than in Canada, are in competition with Canadian industry. Therefore, the industry has had difficulty trying to meet the competition of products imported into Canada from those countries.

I am not an expert, but I have been told that one cannot buy a shirt now that retails for less than $10, except for those imported from the countries I have mentioned. This is because the cost of labour in Canada is too high to compete with the cost of shirts produced in those countries to which I referred.

In addition to the Canadian garment industry finding it difficult to compete with these countries, it is becoming increasingly difficult, if not impossible, to attract labour into their industry. They must compete with industries in Canada which are not labour intensive, as is the garment industry, but are in fact capital intensive. To give one example, in my own city of Winnipeg, a person who begins work in a packing plant with no experience, training or skill receives a starting wage of substantially more than $3 an hour because these plants are very highly automated and equipment oriented rather than labour oriented. The hon. member for St. Boniface (Mr. Guay) is in the chamber. He can confirm what I say. The garment industry finds it difficult to pay more than 25 cents, 35 cents or 50 cents above the minimum wage which, in Manitoba, as in all other provinces, is less than $2 an hour. Therefore, it is becoming increasingly difficult for them to recruit well educated, skilled, trained workers.

I submit that when a study is carried out on manpower needs or manpower utilization of the garment industry in Winnipeg or anywhere else, it is important that the information obtained not be kept secret, locked in the vaults of the government department which commissioned the study. It should be made available to the industry, the unions, and workers concerned and, indeed, all the people of Canada.

I want to spend a few moments talking about the general question of making information available to the people of Canada. As our society becomes more complex, mechanized and automated, governments play a much more active role than in earlier years. It does not matter whether it is the government of Canada, the United States or any other country, nor does it matter which political party happens to form the government. The governments are playing a much more active role than ever before. Canada is no exception.

In this country, we know from government reports and independent sources that the government requirements for information have grown at a fantastic rate. There have been tremendous increases in the number of highly skilled, trained and highly qualified government employees, such as economists and scientists. I am not being critical. I think this is necessary. Maybe we have not done enough of this. They have been given the job of researching many of the basic problems which face the people of this country and with which governments will have to deal. It is not only the civil service which has increased, but to a very large extent many of the problems with which governments have to deal have increased. Various government departments and agents will have to come up with answers in the next one, two or five years. Private groups, companies and individuals, who are supposedly expert in the field, will have to provide information which is required.

• (1710)

There have been commissions, a host of studies, task forces, special reports, or call them what you may, in every field which affects the people of Canada. We have had a task force on social security. We debated that bill for some time. We have also had task forces on ecology and pollution. There have been studies on scientific research; there have been studies on industrial strategy for Canada. Most of these are, perhaps, required. I am certain that members of parliament who are not cabinet ministers could make worthwhile suggestions to the government concerning other studies which need to be carried out.

The point I am trying to make is really a very simple one. I believe that the overwhelming bulk of the studies which have been commissioned contain information which ought not to remain virtually the private property of the minister or of the department concerned. If the people of Canada are to understand what governments are doing, we must arrange our system in such a way as to provide them with the necessary information upon which to reach valid opinions. Especially is this true as the problems facing our people become more complex.

Let me refer to the debate which has been going on in this House during the last few days, the debate on the family income security plan. I suggest that had members of this House, members of the press gallery and media workers generally as well as members of the public been given access to the white paper on social security prepared under direction of the Deputy Minister of the Department of National Health and Welfare, several desirable consequences would have ensued. All concerned would have been in possession of information conducive to arriving at a consensus about the kind of legislation required to meet the needs of Canada's poorer families and we should not now be conducting a highly partisan debate such as we have heard for the past several days and, no doubt, will be hearing for a number of days yet to come. As it is, members of parliament as well as members of the public generally are not in possession of all the facts involved, facts as researched by a committee under the leadership of the Deputy Minister and incorporated into a report which has since been locked in the files of the government.

I am not suggesting for a moment that there are not some reports which should remain unpublished, for example reports having to do with national security or financial matters, cases where a government is trying to decide whether one company or another is receiving a particular contract. A report of that kind ought not to be made public because the information contained in it might give an unfair advantage to one group or another. But, Mr. Speaker, when we are talking about family allowances or a projected multi-million dollar transportation corridor down the Mackenzie Valley, the people should surely be told all the relevant information. Surely, it is essential that they should be in possession of all the facts. In the case of the Mackenzie Valley project, for example, they should know the estimated cost in dollars, the probable effects upon the ecology, including the damage which would be done to wildlife, the consequences for the indiginous people, and so on. And yet 99 per cent of all these studies conducted in all these various fields are being kept locked in the files of ministers and when hon. members from either side of the

House ask for the publication of these reports, they are told this would not be in the public interest because the documents requested are interdepartmental documents. Or some other equally stupid reason is put forward. The Prime Minister (Mr. Trudeau) talks frequently and eloquently about participatory democracy, about inviting the public to let parliament and the government know how they feel about various issues. I suggest the public cannot really tell the government how it feels about any of these issues unless it has access to the necessary information. And the only way in which the public can get access to these facts is for the government to publish, as a matter of course, the reports and findings of the studies it has commissioned.

I do not question the right of the government to say, apropos of any particular report, that it does not agree with that report or that it accepts only part of it. That is what governments have to do. I am saying that if the government really believes in the kind of participatory democracy about which the Prime Minister has spoken of so often, it should make available to the people in Canada most of the reports on studies which it has commissioned. So, I urge the government to agree to my motion that this particular report having to do with the analysis of the manpower ultization of the Manitoba garment industry be tabled and made available to members of parliament and to the people.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, I am pleased to be given a few minutes in which to speak on this subject. After listening to the hon. member for Winnipeg North (Mr. Orlikow) one would be led to believe that he and his hon. friends purposely put down these motions to give them an opportunity to moan and groan and spread doom and gloom on this five o'clock show almost on a daily basis. On many occasions, when we reply from this side, expressing other opinions or making a rebuttal, we are told we are not sticking with the subject of the motion. But, Mr. Speaker, you yourself heard the last speaker bringing the subject of family allowances into his speech, as well as everything else he could think of, and still dragging bottom, not making good sense of what he was saying.

May I tell the hon. members why I am interested in speaking on this matter? It is because the garment industry in Manitoba, where I come from, traces its origin to the Winnipeg Shirt and Overall Company established many years ago in 1899. I shall make a few remarks about its history, but I assure you I intend to return to the question on the production of papers in a few moments. The industry provides about 40 per cent of the manufacturing employment in downtown Winnipeg. Its early history was one of producing work clothes, primarily for the prairie market, in small facilities scattered across Winnipeg. The success of these firms depended on the personalities of the owners—the Freeds, Stalls, Steinbergs, Jacobs, Berkowitz and others —who were instrumental in establishing the foundations of the industry in the province.

• (1720)

Today, many men continue in the traditions of their fathers, with new personalities extending the fashion industry into its current dimensions. There are some 200 firms and production includes children's wear, coats, headwear, sportswear, rainwear, pants, blouses, gloves, leather apparel, suits, sweaters, uniforms and skirts, to mention a few. A significant export market has been developed in the United States and Europe and its value of exports per employee is believed to be higher than that of the industry elsewhere in Canada. I should like to return to this point in a moment. The industry early centralized in the warehouse district of downtown Winnipeg, where approximately 90 per cent of the firms are still located today, and where most employees prefer to work. Many of these are from my constituency.

I said a while ago that exports are very important to this industry. On January 22, 1971, as reported at page 2685 of *Hansard*, I had this to say:

> The shipments to date of these 126 companies amount to $79.1 million, and the companies employ 6,300 workers... I think these figures prove the point I have endeavoured to make.
>
> In light of these figures, it is fair to say that the Canadian clothing industry is one of demonstrated capability. It is in fact competitive with clothing industries of other developed countries from the point of view of style, quality and price.

In fact, to prove this I went on to quote an article that appeared in *Maclean's* magazine for June, 1970 praising the style and quality of Canadian made garments. The article was entitled "You mean all that stuff is Canadian!" and I pointed out that it was an article that all Canadians should read. It describes what articles Canadiens are making, exporting and wearing. An article also appeared in *Men's Wear* magazine in October, 1969 and I should like to quote it again because it is important:

> Merchants say the reasons for more imports from Canada are rising prices of the European market, better deliveries, cooperative manufacturers and good quality and fashion... we like English fabrics, but the cost was getting too high. Now, we get the same fabrics from Canada... at a much lower price—
>
> Two stores in the Atlanta area carry Canadian merchandise: Rich's and Rogue Specialty Shop. Rich's clothing is store labelled and purchased through the AMC buying group. The Rogue carries a line of leather goods and suits from Canada. Gerry Underwood, Rogue owner, reports the suits are one of his most advanced lines and bring a premium price—
>
> The merchandise manager for another major men's wear outlet spoke well of a Montreal clothing resource which supplied suits for his firm under a private label.

The reason I quote that again is to let the House know the capabilities of this industry in Winnipeg, and I quite agree with what the hon. member for Winnipeg North said about it.

In addition to this clothing industry we have a textile industry in this area. There are two firms. One of them is the only textile women's hosiery plant west of Toronto, located in my province at Tevlon, in the Interlake region north of Winnipeg. The company employs 85 people. There is also a fabric knitting textile plant located in Selkirk which knits the only yard material and is the only plant west of Toronto. It employs 110 people.

The report made by the consulting firm of Summerour and Associates is one of which many of us would like to know the outcome. At the same time, other studies have been made so I think we can say that the industry knows

what is it all about. The eventual findings of the study were communicated to the industry, so if the hon. member for Winnipeg North wants to know about it, all he need do is communicate with any of the owners of plants and they will tell him.

While the findings of this study were made available to the industry, it was made clear that the greatest efforts by the department would be made on behalf of those firms adopting the ensuing recommendations. These were aimed at developing management and personnel policies—

Mr. Deputy Speaker: Order. The hon. member for Winnipeg North seeks the floor. Is it on a point of order?

Mr. Orlikow: I wonder whether the hon. member would permit a question?

Mr. Guay (St. Boniface): I will gladly, as soon as I have finished my remarks.

Mr. Burton: You have finished.

Mr. Guay (St. Boniface): Just wait till I get to my notes. I do not want to interrupt their conversation, but I am pleased to hear from them occasionally.

Mr. Osler: You would think they would know something about it with two plants in their own member's riding.

Mr. Guay (St. Boniface): These recommendations were aimed at developing management and personnel policies that would improve working conditions, stabilize employment, and improve productivity.

In the last few years the industry has responded well. Productivity has been greatly increased, which has contributed to the improved material welfare of the workers. Further, their job contentment has increased through such things as improved working accommodation and staff relations of all kinds. Our local officers are now enthusiastic about the industry as a source of employment and an officer from headquarters, with considerable knowledge of this industry, recently visited Winnipeg and confirmed our local officers' reports.

It will be seen that this study was in reality an assessment of conditions and needs within an industry. Such assessments are continually being made by our officers to enable us to make the best possible allocation of manpower funds in the face of our numerous demands. In this instance, the operation was more complex than usual because the problem was a complex one, but it was essentially an operational undertaking and the results are expressed in what are essentially operational departmental papers. This is not a consultant's report in the usual sense; you do not get one on a major industry for $7,000. The consultants simply provided the framework within which the study should be made and assisted in the analysis of data.

However, the department conducts many such studies without consulting assistance. All require the full and free co-operation of employers and workers in the industries involved and none could be conducted if it was

thought for a moment that the word of manpower and immigration officers could not be accepted. More than this, we could close the doors of every Canada Manpower Centre, for neither employer nor worker would have confidence in us.

• (1730)

The simple fact is that many employers of an important industry and a provincial government department undertook a joint effort with a federal department on the word of its officers that any findings would not be made public unless all consented. That is the crux of the matter. The provincial government is involved. First, I believe we should have the permission of the province before these findings are released. The hon. member for Winnipeg North (Mr. Orlikow) knows this. This is the reason I made the comments I did today. He knows this as well as I do. The industry in the province has specifically declined to ask for this consent.

I should like to mention that many items have been introduced in the textile industry magazine. In fact, I have prepared these comments from that magazine and would like to say a few words on it. The year 1971 was an eventful year for Canada's textile manufacturing industry. In fact, it might well go down in history as a year in which more solid progress was made in several directions than at any other time in the past decade. The federal government has recognized that the industry is well managed, efficiently operated, has a remarkable degree of flexibility and indeed is important to the national economy. Proof of this lies in the fact that in 1970 the government announced its national textile policy and set up the Textile and Clothing Board. Actually, this board commenced functioning in November 1970, before Bill C-215 to establish it was passed into law last May.

Establishment of a national textile policy has been advocated by industry for some time and when this became a reality, industry, through the Canadian Textile Institute moved into high gear to provide full co-operation to the federal government through its Textile and Clothing Board agency in an all-out effort to right the many serious wrongs with which industry has been afflicted for so long. In addition, and in accordance with the policy terms of reference, industry set about putting its own house in order. Restructuring programs have been undertaken and it is safe to say that as a result of a much closer working arrangement between government and industry vis-à-vis adoption of a textile policy and the setting up of the Textile and Clothing Board to study and recommend government action, the over-all position of industry is gradually improving.

Certain it is that the T and CB has been exceptionally active throughout the past year or so, with five reviews conducted. This activity has been and continues to be matched by the CTI with the provision of voluminous briefs and other pertinent data essential for presentation at board hearings. And, while hearings will continue, it is encouraging to note that T and CB rulings on completed hearings have not been countermanded by government and have been, by and large, encouraging to industry. I am not saying these things; it is the people of

the textile industry who have said this in their own magazine.

I continue my compilation of the comments in the magazine. Year-end statements by senior executives appear to bear out this assumption. As one executive put it:

The textile industry for the first time in several years is giving every indication of being able to build from a firm base. This is largely the consequence of the government's implementation of a national textile policy which has assured industry of a continuing reasonable share of the domestic market—

And again:

Canadians have been through some difficult economic time and have developed both a flexibility and a ruggedness... and there is, perhaps, a wider acknowledgement that greater employment will depend largely on encouraging the increase of our own manufacturing industry—Reflection of this in the textile industry has been the adoption of a federal textile policy with the textile and Clothing Board to study and recomend government action where needed to sustain efficient Canadian enterprises... Application of such recommendations in keeping with national goals is the key to halting the loss of jobs and retaining a reasonable share of the market for Canadian mills—

There are other slightly less positive statements, but in perspective the views expressed weigh heavily in favour of what has been done in concert between government and industry and will continue to be done to preserve the textile manufacturing industry as a thoroughly viable operation well able to make a generous contribution to the improvement of Canadian manufacturing as a whole. Again as I say these are not my words. They are the words of the textile industry. I am very pleased indeed that they are taking it this way because they appreciate the help the federal government has given them.

Naturally, the gains made during 1971 and those projected for 1973 are not sufficient to put industry on easy street. The struggle against imports, particularly from low-cost areas of the world, continues unabated. Economic moves by the United States which commenced August 13, 1971, continue to erect obstacles in the path of industry, some of which are formidable. Attendant problems are numerous and no easy solution is apparent. One industry executive put it in these words:

I view 1972 as being a potentially favourable year. However, this judgment must be tempered against serious over-all threats to the economy, not the least of which is the instability and irrationality of the U.S.A. in dealing with its problems—

And again:

Canada's fortunes in 1972 will be closely tied to the effectiveness of the new United States economic policy on the domestic side.

I mention these things because they have been said by the industry. The industry knows very well what is going on and has heard of the report the hon. member for Winnipeg North is talking about. The industry made no comment about it in the article to which I am referring. If any member of the industry, particularly in my area of Winnipeg, had any comment to make on this, certainly the hon. member did not mention it in his speech. I feel that if the industry has any reason to be concerned, surely to goodness it would communicate with its representatives here in Ottawa because I believe this is the proper way in which it should be done.

Surely, also, we would be proud to stand up and speak on its behalf and find out what this study is all about. The industry has not indicated this desire to any of us. I certainly have received no letter saying that they wish to discuss the matter and outlining the various problems they have in mind. Such representations have not been made, and if they had I am sure we would be glad to make the representations on their behalf. In such an event I am sure the minister would be pleased to grant them the appropriate hearing. I suggest the textile industry has not made such a request because it is aware of the contents of the report in question and is satisfied with the report. That is why nothing has been said.

I shall continue my comments in respect of the textile industry's magazine. In spite of real obstacles, the Canadian economy continues the forward progress commenced early last year. It is apparent, therefore, that a restructured and rationalized textile manufacturing industry should participate in any over-all improvement in the national economy.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but I must do so to advise him that his time has expired. The hon. member for Winnipeg North (Mr. Orlikow) indicated he would like to ask the hon. member for St. Boniface (Mr. Guay) a question and the hon. member for St. Boniface said he would receive it, but there would have to be unanimous consent of the House. Is there such unanimous consent?

Mr. Osler: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Orlikow: You are afraid.

• (1740)

Mr. Osler: I am not afraid of a thing.

Mr. Orlikow: Then why did you not permit a question?

Mr. E. B. Osler (Winnipeg South Centre): I do not know much about the rules of the House because I have not been here that long, but I know we are not talking about the time of the hon. member for St. Boniface (Mr. Guay); we are talking about my time, and I am not willing to lend him my time in order that he may lend it to the hon. member. It is as simple as that. I am afraid of nothing. If we are going to have any games around here, let us have them with my consent on my time, or with his consent on his time. I do not think we should any longer play games around here this afternoon, because I want to talk on this motion. It is one of the most trumped-up bits of garbage that I have ever seen. I hope the hon. member takes my words and circulates them among his constituents and mine, because I am sure he will say I am being arrogant and all this sort of jazz.

Mr. Orlikow: You are not arrogant; you are stupid and ignorant, as usual.

Mr. Osler: I just want to tell you a few things. This study that the hon. member wants was commissioned in

1968 with the joint agreement of the industry, the provincial government of the time and the federal government which is in office today. I should like to quote two key sentences from that report as follows:

> The consulting firm of Summerour and Associates will work under the control and direction of the clothing committee. All work carried out, including the final report, will be confidential to the members of the clothing committee and will not be available to Summerour and Associates for publication and promotion.

I presume the hon. member knows that as well as I do. If he does not, all he has to do is to turn around and ask the hon. member for Selkirk (Mr. Rowland) who was executive assistant to the Premier of Manitoba. The Premier and the new government of Manitoba assumed that agreement from the previous government and will not back away from it. If he has a stiff neck or sciatica, he can go to his office and telephone free, as any member of parliament can, the Premier of Manitoba and ask him whether he will release this document. And if the Premier says yes, then he can ask the federal government if they will release it.

Mr. Orlikow: Who paid for the report?

Mr. Osler: I am not answering your questions at the moment.

Mr. Orlikow: Because you cannot.

Mr. Osler: If he gets the consent of the Premier of Manitoba, then he will have the right to come to this chamber with his request. If he does not receive this consent, then he must know as well as I do that he is wasting our time today.

Some hon. Members: Hear, hear!

Mr. Osler: The Premier of Manitoba is a very reasonable man.

Mr. Orlikow: Will the hon. member permit a question?

Mr. Deputy Speaker: Order, please. The hon. member who has the floor indicated that he would not, but I will ask him whether he will permit a question.

Mr. Osler: Certainly not, Mr. Speaker. I will permit no questions until I have finished my speech.

Mr. Orlikow: You are afraid, as usual. You have no guts, as usual.

Mr. Osler: I am afraid you do not want to hear the truth. It will be very interesting to see your reaction when you hear it.

Mr. Orlikow: You do not know what the truth is.

Mr. Osler: You New Democrats should be democratic and listen to the other side of the story. I know it is easy to reach the Premier of Manitoba, because he has done me the honour of speaking to me on the telephone and I am not even a member of his party. The hon. member should telephone him and then come to the House with this request. If he does not get that permission, he will be wasting our time. This report was paid for by the three parties concerned: the province of Manitoba paid for some, the government of Canada paid for some, and the industry paid for some. The hon. member probably knows that. If you cannot get the permission of the province of Manitoba—

Mr. Deputy Speaker: Order, please. I would point out, with respect, to the hon. member that he should address his remarks to the Chair.

Mr. Osler: Thank you, Mr. Speaker; I am very glad to be reminded of it. It is always best to keep one's cool when one is giving facts, instead of trying to cloud the issue as some people sometimes do.

Mr. Skoberg: You have repeated yourself ten times.

Mr. Osler: If I do, you might get it into your head. This report is not available even if the hon. member telephoned the Premier. I suggest that the Premier will tell him it will not be made available. It is not available for a good reason. These gentlemen who are so interested in the working people and in the poor should know that the report is not available for a good reason, because over 200 working people said in good faith what they did about conditions in the industry. They said things they would not dare to have said had they known it was not going to remain confidential.

Some of the people who are still in the industry could be hurt if the report were released. I submit that the hon. member for Winnipeg North (Mr. Orlikow) probably knows that as well as I do. They were given the assurance that confidentiality would be maintained. The Premier of Manitoba is gentleman enough to have taken over that assurance from the previous government and to have maintained it. To come to this chamber and play these kinds of games seems to me to be a complete waste of time.

I cannot help remarking, before going on to the other portion of my remarks, that it comes particularly badly from a member of a party who knows very well he can get the answers without wasting a whole hour of the time of the House. He is a member of the party which repeatedly, and nauseam say that our Prime Minister (Mr. Trudeau) is in contempt of the House and wastes the time of the House. The hon. member is wasting our time. I do not know what the overhead of this House is per hour, but it is very high. Better things could be done and said than to play these kinds of tricky games.

If the hon. member really wanted to carry the burning torch to get rid of confidentiality in government, I would join him because I think it is a good principle. But I, like him, would start in my own province of Manitoba and I would do my very best to get the answers to all sorts of questions that are worrying the people of Manitoba today and to which they cannot get a single murmur of response from the government which is formed from a majority of his party.

It is good to practice preaching at home in the confines of your own caucus, in the councils of the party where one has some influence and where one can take some

responsibility for the results. But to come here and waste our time is merely a game. This member is not unintelligent; he knows as well as I do that this is a stupid game to play and a terrible waste of time when more important things could be done. He could have spoken on another topic regarding the production of papers, the lack of secrecy or the decline in secrecy which he would like to see in government dealings, and some of us would join him. But to take a trumped-up case like this—

Mr. Orlikow: I will not see the day when you support that.

Mr. Osler: You will not see it in here.

Mr. Orlikow: You will not be around very long.

Mr. Osler: When you get down to the guts of the question you find that the hon. member lives completely in the past. He ignores completely the fact that the industry was in such circumstances as to provoke this kind of study but these circumstances do not prevail now. Had he been in Winnipeg last night he would have seen the CBC proudly present a long feature on the industry, what has happened in the industry and how it has been improved to the point where approximately 20 per cent of Canada's fashion exports come from Winnipeg. They go to the United States, to the highly competitive market there and they are doing very well. The reason is twofold. The results of this report provoked much needed improvements in the industry. It is not perfect yet, by any means; there is a great deal to improve.

The state of the industry provoked management into becoming realistic. They now have an aggressive, market-oriented management that is achieving results. There are close to 10,000 people employed in Winnipeg and Manitoba generally in this highly competitive, quickly modernizing and adapting industry which is doing exactly what the government of Manitoba and the government of Canada are trying to do, namely, provide jobs.

• (1750)

Instead of knocking this thing on the basis of ancient history, the hon. member might have informed himself a little better on the subject. As a matter of fact, Mr. Speaker, I think some of the people in Winnipeg who saw last night the program to which I have referred will be wondering why their member of parliament is wasting our time today on this motion.

I am told that it was an unbiased report. This is an industry which is improving drastically in Manitoba. It is not a sexy industry, like computers or the aerospace industry, but it is providing many jobs. I am assured, on the basis of a quote from the program last night, even though I got it second hand, that the wages share of the production bill of the industry has been steadily increasing and is still increasing. This is a quotation from Peter Nygard, manager of Tanjay, who said it on the CBC program last night.

The situation is not all gloom and doom. If there are any corners in which people are trying to be secretive, those corners are equally to be found in the Manitoba legislature. I would think that the hon. member for Winnipeg North, instead of knocking the industry could have taken a little time to build it up. I think that in Manitoba we can sell all the clothes we manufacture if we go out and try. That is certainly what is happening in the United States. It is too bad if the hon. member left the impression in Ottawa with the wives of members and of newspapermen that they should not be buying Winnipeg clothing because conditions there are still those of the sweatshop.

Mr. Orlikow: I rise on a question of privilege, Mr. Speaker. I do not expect the hon. member for Winnipeg South Centre (Mr. Osler) to agree with me—indeed, he has a right to disagree with me—but he has no right to misquote me or to imply that I said things which I did not say. I said not one word which was critical of the industry, its management, the employees or anything else. I simply said that this was an industry which had difficulties because of the kind of industry it was, and asked that the report be tabled. I made no attack on or criticism of the industry in Winnipeg or anywhere else. I would not want this debate to be completed and my silence to indicate that I agreed for one moment with what the hon. member has said in reference to my remarks.

Mr. Deputy Speaker: Order. The hon. member for Winnipeg North (Mr. Orlikow) of course has the right to clarify the statements he made in debate. This, in effect, is a matter of opinion. *Hansard* will show the words he used, and hon. members can draw their own conclusions.

Mr. Osler: Mr. Speaker, I certainly would not want to impute motives to my colleague from Winnipeg North. I am sorry if he thinks I have done so. I do know that he said it is increasingly difficult to attract labour to the industry, and he went on to speak about low wages and competitive wage situations elsewhere. It probably was injudicious of me to jump in and use words in reference to sweated labour, but I think the hon. member made it clear that wages were pretty low and that labour was finding it very difficult to stay on the job. That is not the case. I know that other hon. members may wish to speak in this debate and, even though I could continue for a long time, I will now sit down.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, during the past hour a number of hon. members have evinced considerable interest in the garment industry in Manitoba. They are to be commended for this interest. It is an important industry so far as Canada is concerned. It is not only important to Manitoba, but to all of Canada.

Since its inception, the Department of Manpower and Immigration has concerned itself with the critical shortage of staff which has been characteristic of the garment industry in Manitoba. Understandably, the department has made special efforts, both through immigration and training in industry, to attempt to meet the employment demands of the industry in Manitoba. Between April 1,

1967, and June 1, 1969, the cost of such special measures approached $300,000.

In 1969—this matter has been covered by previous speakers—the department felt that additional efforts were warranted. In that year the department invited the industry and the Manitoba department of industry and commerce to join with it in a study to determine the extent and causes of the labour turnover. It was the view of the government that the relatively high labour turnover and the chronic labour shortage should be made the subject of a probe, so a committee was formed representing the two levels of government and the industry. Co-operation was extended not only by the previous provincial government of Manitoba but by the present provincial government. That committee was known as the clothing committee.

The garment industry itself arranged for some 20 firms to participate in the study, with their officers, and over 200 present and former employees agreed to be interviewed in depth. They were given an assurance that anything they said—and some of it, I must be frank with the House, approached the defamatory stage—would be held in absolute confidence. Those were the terms and conditions. Surely this is the source of the difference which appears to exist between the mover of the motion and the government. I choose to believe that the mover of the motion does not fully understand the background or he might have hesitated to bring forward the motion.

With that guarantee, the workers and employers provided full, frank and in some cases subjective opinions on matters of staff training and working conditions. Most of the interviewing was carried out by officers of the Department of Manpower and Immigration. The firm of Summerour and Associates, highly experienced in the field, was retained to provide technical advice on the structure of the study. It was a condition of the contract that all results would be confidential to the clothing committee and its corporate members. This position is still supported by the government of the province of Manitoba, which acted in good faith. That government should be commended for its willingness to carry out a commitment given to the working people of the province by a previous government.

A number of recommendations were made to enable the industry to reduce turnover through improved training and personnel policies and many firms are reported to have implemented them. Indicators show that as a result of these improvements in the Manitoba clothing industry, its outlook is excellent. I can tell the House that it is anticipated that shipments will rise to $110 million by 1976 and the number of employees will increase very greatly. Not only is this important for Manitoba and the working people of that province, but it is important for Canada as a whole because the Manitoba clothing industry, the firms making it up and the skills of the workers of Manitoba are providing Canada with major foreign earnings today. They are not doing it because they enjoy any natural advantage over some other parts of the country; they are doing it through entrepreneurial skill, the skill of the workers, imagination and design ability.

[Mr. Perrault.]

The formation of the clothing committee and the job that was undertaken, the co-operation between two levels of government, the industry and the working people, must go down as a successful enterprise which is bringing great results in terms of higher wages for the working people of Manitoba and greater benefits for all of Canada. I want hon. members to be assured that if the House were to approve this motion it would result in the government breaching a contractual agreement with a provincial government and a major Canadian industry. This we refuse to do. It would violate a promise to the workers who participated in the study and might well cause some of them embarrassment. We refuse to do this disservice to the working people of Manitoba. It would destroy the usefulness of an effective economic tool that could conceivably be used to improve the lot of other Canadian workers in the future.

This was a successful technique initiated by the federal government through the Department of Manpower and Immigration. Because of the nature of the study, the type of information sought and received and the commitment made to participants, neither the industrial nor the provincial representatives on the clothing committee will agree to the publication of this report. We concur in this stand. We stand with the other members of this tripartite arrangement, the clothing committee, and we do not believe that approval should be given to this motion which would result in the government breaching a contractual agreement with a provincial government and a major Canadian industry. Some facts were given—

• (1800)

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair until eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs, and the amendment thereto of Mr. Lewis (p. 1448).

• (2010)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, at the adjournment of the debate on Bill C-170, I was deal-

ing with the tremendous bureaucracy that the new legislation would organize, create and control throughout Canada, as it happened with the Canada Pension Plan, which we accepted in principle, while being against its terms of application. We maintain that Bill C-170 will create a bureaucracy that will be very costly to the Canadian taxpayer.

As an example, I have just mentioned the Canada Pension Plan. In today's edition of the Montreal newspaper, *La Presse*, one can read the following:

Administration costs of the pension plan have tripled.

That is not what we were told when the bill was introduced in the House, but today we find that the plan's administration costs have tripled the paper adds:

Administration costs of the Canada Pension Plan have more than tripled in the last six years increasing from $6,003,805 to $21,153,238.

On the other hand, benefits paid to retired Canadians reached a total of $128,732,461 in 1971, which is almost $51 million more than the preceding year.

—But to come to that, administration costs had to be tripled. I quote further:

As of last December 31, 91,524 pensioners were receiving a monthly pension of less than $20 under the plan.

Mr. Speaker, such administration cost to pay out pensions of less than $20 to the majority of pensioners are high indeed.

There is more to quote:

The amount contributed to the plan, including the interest and other income resulting from the investment of contributions, reached a total of $1,076 million in 1971.

And with that amount of $1,076 million in 1971, we paid pensions of less than $20 to almost a majority of the pensioners under that plan. The government keeps on saying it was generous because it paid out so many millions of dollars but they are not distributed among the Canadian citizens receiving a pension.

This is why, in my opinion, Bill C-170 constitutes discrimination towards the majority of Canadians.

The bill under study deals, as its title indicates, with payments to be made in respect of children—i.e., to those who have children in their custody. Clause I really defines the whole purpose of the bill—it reads as follows:

Family Income Security Plan.

Clause 2 contains the definitions. This is an important clause, because you constantly have to refer to it as you study the bill. For instance, the base calendar year, as regards family income, is the basis for granting allowances applied for.

Clause 2(2) defines the income of a person for a calendar year—which is his income computed in accordance with the provisions of the Income Tax Act, minus any death benefit paid to him under a pension plan.

It is to be noted that, under this bill, family income is calculated by adding together the incomes of both parents—the father's and the mother's—on which the formulation of the new family allowance proposals is based.

Payments are made from the Consolidated Revenue Fund for any child under 18 years of age in the custody of a citizen residing in Canada. However, if a province makes payment to youths between 16 and 18 years of age, as is the practice in the province of Quebec, no payment is made to children from 16 to 18 years of age by the government of Canada if the latter grants tax abatements in this connection to the said province. This is pure and simple discrimination towards a province--in this case, Quebec—and no account whatsoever is taken of the decisions or positions of provincial authorities.

Clause 6 of the bill is without question the most important and the most complex. It is perhaps more complex than important. Monthly benefits of $15 in respect of children under 12 and of $20 for children from 12 to 18 will be paid.

As indicated in paragraphs (a), (b) and (c) of subclause 1 of clause 6, a ceiling has been placed on family incomes so that when this ceiling is reached or exceeded, allowances in respect of children decrease and sometimes disappear according to income or to the number of children.

Mr. Speaker, since the bill now before us is unjust and unacceptable, my colleagues of the Social Credit party will support the amendment moved by the New Democratic party in favour of the universality of family allowances.

We do not want to take away from the haves to give to the have nots. That would be unadultered socialism or communism. This is evident in the USSR, in Czechoslovakia and other socialist countries. This does not surprise us at all from a Canadian Prime Minister with a socialist and even communist bend!

An hon. Member: Oh, oh!

Mr. Caouette: Mr. Speaker, I hear an interjection from an hon. member whose riding I do not recall, an hon. member I know very well—

Mr. Deachman: Vancouver Quadra.

Mr. Caouette: I will give some examples.

A general strike is now taking place in the province of Quebec involving 210,000 employees of public and related services. Anyway, I intend to speak on television, next Saturday, in Sherbrooke, Quebec, Rouyn-Noranda and Jonquière to explain that these public servants are asking for a better treatment and rightly so. However, salary increases will not enable us to improve living conditions since salary increases go hand in hand with price increases. Then, it is the workers who bear all the consequences. In those broadcasts, I shall refer to such labour leaders as Marcel Pepin, Louis Laberge and Yvon Charbonneau.

Mr. Speaker, I mention those three Montreal birds and say they have invented nothing under the sun. They did not invent the kind of strikes we are now having in Quebec to improve people's lot.

Some years ago, actually in 1949, there was a strike in the province of Quebec. And at that time, with my own

eyes, I saw in Asbestos the present Prime Minister of Canada (Mr. Trudeau), together with the Minister of Regional Economic Expansion (Mr. Marchand), former president of the CNTU, in the picket line, throwing stones at those in charge of maintaining order. Blood was shed in the streets, we all remember that, especially those my age.

The present leaders of the Quebec unions follow the example given by the Prime Minister and the Minister of Regional Economic Expansion in 1949.

Some will tell me today, Mr. Speaker, that those individuals may have been irresponsible in 1949, but if they feel responsible in 1972, they are as responsible as Messrs. Pepin, Laberge and Charbonneau.

Mr. Dupras: Are you not a little confused?

Mr. Caouette: No, I think that my hon. friend is. He would need some care, not in a wheel-chair, but in a psychiatric institution. He knows quite well what happened then. Because a man was foisted as the leader of the Liberal party, he stupidly accepted him.

Mr. Speaker, as far as family allowances and the welfare of Canadians are concerned, not too long ago I received letters from various provinces and in February last, to answer the Prime Minister, I put a question about Premier Bennett of British Columbia who was accused of being a bigot because he advocated payments to individuals, even children, which would include family allowances.

• (2020)

Mr. Prud'homme: That was not the reason.

Mr. Caouette: Mr. Speaker, the member for Saint-Denis (Mr. Prud'homme) tells me that was not the reason.

I have just received a letter from the Prime Minister—that is, from the leader of the hon. member for Saint-Denis—dated April 19, and today is the 20th—"signed in his own hand". I am convinced the member for Saint-Denis has never received a letter signed by his leader, the Prime Minister of Canada. Well, I have one!

Some hon. Members: That is true.

Mr. Caouette: It is a fact. Two hon. members say I am right.

Mr. Speaker, the Prime Minister—

An hon. Member: Read it.

Mr. Caouette: All right. I am asked to read it. I received it today, this afternoon, and it was signed "P. E. Trudeau".

Mr. Prud'homme: It is in English.

Mr. Caouette: It is signed in his own hand.

[*English*]

In ink. In his own hand. You should rise, because it comes from his own hand.

[Mr. Caouette.]

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Caouette: Mr. Speaker, following my speech of February 22, the Prime Minister wrote to me. My speech offended him. He wrote: "Ottawa K1A 0A2." This must be the code of Mr. Lalonde, his private secretary.

An hon. Member: His social insurance number!

Mr. Caouette: "My dear Caouette". He no longer calls me "My dear Réal", but "My dear Caouette". Mr. Speaker, it is probably more intimate.

The Prime Minister says, and I quote:

I was surprised to hear you say in the House of Commons, on February 22 last—

He was not even in the House!

—that you were not aware of the statement made by the premier of British Columbia concerning the Quebec people; and even more surprised to read in that day's *Hansard* (on page 115) that, according to you, I was the one trying to stir up linguistic and ethnic quarrels.

I thought that the enclosed clippings might somewhat enlighten you on the subject.

I remain, my dear Caouette,—

—He does not say "Réal", but "Caouette"—

Yours sincerely,

P. E. Trudeau

Mr. Speaker, in fact, he sent me all the clippings saying that the premier of British Columbia was not blaming the province of Quebec for asking for higher family allowances or social measures benefiting all the Canadian provinces. The premier of British Columbia in fact found fault with three fellows now sitting in the House: the Prime Minister, the Minister of Regional Economic Expansion and the Secretary of State.

An hon. Member: The three doves.

Mr. Caouette: Yes, the three doves.

Mr. Speaker,—

An hon. Member: Do you love him?

Mr. Caouette: I think so.

Mr. Knowles (Winnipeg North Centre): How much is that?

Mr. Caouette: Not too much.

Mr. Speaker, I said this afternoon that for a long time we have advocated this increase in family allowances.

• (2030)

One of my colleagues, the hon. member for Compton (Mr. Latulippe), has been fighting for over 10 years to have family allowances pegged to the cost of living.

Mr. Prud'homme: Ah, ah!

Mr. Caouette: The member for Saint-Denis finds this funny. In fact, he is laughing at his colleague.

In the fields of family allowances and pensions, as in any other areas, we have been suggesting for months

that all these plans should be replaced by a program of economic and social security for everybody.

In February, I suggested that we should establish a guaranteed annual income whether it be called that or vital minimum as we have been calling it for 35 years. That has never been accepted.

Let us call it the right to live! This is what the people need now!

Saturday on television—and I am talking about the 210,000 public, para-public, "extra-parapublic" or "intra-parapublic" civil servants, never mind how they are called, who are on strike in Quebec and are seeking job security—they said that not money but job security was at stake. I, for one, would tell them that what we are asking for—let's be honest—is pay and income security. Jobs do not matter but income does. And this is related to family allowances. This is why with our economic and social security plan, without taking anything from those who have to give to those who have not—

Mr. Prud'homme: This is magic.

Mr. Gauthier: Once more he did not understand.

Mr. Caouette: —there lies the magic.

Recently I said that once I asked that a per capita allowance of $100 be granted as a test, which would cost $2 billion. I was only saying that we should try and see the result after a six month period, and then if we were not satisfied, we should abandon the project, but if it proved to be useful, we should go on with it. They found that funny, saying it was crazy.

Let us consider the interest, for this year only, not the debt but the interest on the public debt, which amounts to $1,235 million. What does that mean? An amount of $106 per capita in Canada, which is paid to financiers. But this is normal, according to the government; this makes sense. This is the miracle I have just been told about. This is possible and no one laughs about it: $106 per capita in Canada for big finance, that is alright. But $100 for each Canadian, that is crazy, that means inflation, that is dangerous, that will make lazy people. This is exactly what we find among members of the government: lazy intellectuals, people who are sick in the head, and we put up with that!

When we talk of an economic and social income or security of $1,200 for every Canadian citizen aged 18 and over, it means that all our students would draw at least $100 per month. That is odd but we spend more than that to deal with strikes, to mobilize the army and to subdue the terrorists in Montreal. But when it comes to helping a young man continue his studies, that is dangerous! We would rather pay to subdue the terrorists whose very reason for turning like this is that there are social inequities.

The hon. member for Saint-Denis is well aware of this, because he used to be a student and he knows about these problems.

Mr. Speaker, we are calling for family allowances of $250 annually per child, up to age 18, whether there are 8, 10, or 12 children in a family, which means $20 per month. Is there one father, one hon. member or anybody who can raise a child with less than $20 per month? That is impossible.

If war broke out tomorrow, all young students aged 18 or over would be mobilized and the government would not lack any money.

The Prime Minister of Canada would not lack any money. We would find the required amounts to enlist them and pay for their education in any university in Canada. In wartime, this is normal. Why is it not so in peacetime?

Mr. Speaker, let us use our brains. We call for this basic security without infringing on the right to work, which is a basic guarantee for any Canadian citizen, leaving him free to go and work where he wants.

This bill is a near sighted measure which takes away from the man who earns $10,000 to give to the man who earns $4,500. Then the taxpayer who earns $10,000 is frustrated and he is told: "My friend, for the sake of fair distribution, you will have to suffer a little more." All are frustrated and rightly blame the government.

This is why we suggest the establishment of an economic and social program which would not take the income into account. Even hon. members who earn $26,000 a year would enjoy an annual guaranteed income, guaranteed social and economic security, or a guaranteed social minimum, that is a bare minimum.

Then the personal initiative of a citizen would not be restricted or frustrated; all Canadians would be allowed to have ideas, to advocate and carry out plans, which could not be done with Bill C-170 which is, I repeat, sheer frustration, confiscation of the income of a man earning over $7,000, $8,000 or $9,000 a year.

Mr. Speaker, the Creditistes are right to make their claims, whether the government members accept them or not, the facts are there.

After visiting many countries faced with similar problems, where there is not enough money for living but where some is available for killing, we have come to the conclusion, my colleagues and myself, that the monetary system is faulty, that in order to grant adequate family allowances, to insure security with personal freedom and not security alone, it is time to bring in a monetary reform.

I know that on the government side, many people have studied the Social Credit doctrine and understand it, but they are muzzled by the governing party and are therefore unable to express themselves, to say what they think openly and strongly.

Mr. Speaker, the Creditistes will go on fighting, not only in the House, but elsewhere, so that Canada may have an improved family allowance system as well as an economic system guaranteeing for each and every one a decent well-being, security and freedom.

• (2040)

Mr. Prud'homme: Mr. Speaker, would the hon. member whose humour, incidentally, I much admire, allow me one question?

Mr. Caouette: The rest of the evening, if the hon. member wishes.

Mr. Prud'homme: Could the hon. member, to whom I have listened very attentively, tell me that he can really compare the political action of the present prime minister during the Asbestos strike and the absolutely incredible situation of the workers of that time with the action of today's labour leaders? Can the hon. member truly, in all honesty—and I know he is very honest—can he really compare that action—if my colleague from Laval (M. Roy) would kindly keep quiet for a moment. I could finish my question—can he honestly compare the action of the prime minister in Asbestos with the current strike which no one can approve?

Mr. Caouette: Mr. Speaker, may I reply?

Mr. Deputy Speaker (Mr. Laniel): Go ahead.

Mr. Caouette: The comparison is quite simple, Mr. Speaker.

I saw the hon. member's leader on the picket line at Asbestos, with his colleague, the Minister of Regional Economic Expansion, and they were throwing stones at the policemen. I don't know if the hon. member was born then, but I know very well that the Asbestos workers were being stirred up in exactly the same manner as Messrs. Pepin, Laberge and Charbonneau are doing now, in saying to the workers: Don't pay any attention to injunctions: Disobey the laws, and laugh at the government: In those days, the hon. member's leader was doing exactly the same thing. There is my comparison.

An hon. Member: It is false.

Mr. Caouette: Who said that it is false?

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): He has not answered the question.

Mr. Marcel Prud'homme (Parliamentary Secretary to Secretary of State): On a question of privilege, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order. The hon. member will have to wait to raise his question of privilege because the Chair has to reach a decision on the point of order raised by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall).

Mr. Prud'homme: Mr. Speaker, I am sorry, but it seems to me that according to the Standing Orders the question of privilege comes before all others.

The Acting Speaker (Mr. Laniel): Order. The Chair has recognized the point of order and it seems to me that the hon. member will agree that his question of privilege can be considered later on.

[*English*]

Mr. Marshall: Mr. Speaker, I understand from the debate that Bill C-170 is in contention tonight. I do not know what that bill has to do with an asbestos firm in Quebec or other problems that we have been hearing about. We are dealing with a family income security plan for all Canadians and I believe we should deal with that problem under Bill C-170.

The Acting Speaker (Mr. Laniel): Order, please. The point raised by the hon. member is well taken. Because the hon. member for Témiscamingue (Mr. Caouette) referred to this question in the course of his remarks, the Chair thought the question could be allowed. However, I do not think the Chair can allow debate on the question.

[*Translation*]

The hon. member for Saint-Denis on a question of privilege.

Mr. Prud'homme: Mr. Speaker, I wish to withdraw my question of privilege, but not without saying that in my opinion the leader of the Ralliement did not answer my question at all—

Mr. Caouette: —of the Social Credit Party of Canada.

Mr. Prud'homme: —of the Social Credit Party of Canada did not answer my question at all, but I withdrew it in order to co-operate with the Chair.

[*English*]

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Yorkton-Melville (Mr. Nystrom).

[*Translation*]

Mr. Caouette: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Témiscamingue on a point of order.

Mr. Caouette: The hon. member says that he withdraws his question of privilege.

A few minutes ago I was asked to make a comparison. between what happened in 1949 and what is happening now in Quebec.

Mr. Béchard: The conditions of workers in those days were different from what they are today.

Mr. Caouette: Workers today are in the same situation as they were then.

The Acting Speaker (Mr. Laniel): Order, please. The Chair can hardly allow the question of privilege which actually is not a question of privilege but rather a matter for debate, and the time allotted to the hon. member for Témiscamingue has expired.

[*English*]

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, at the risk of disappointing the two Social Credit members from Saint-Denis and Témiscamingue, I will not speak of the asbestos strike but will address myself to Bill C-170 dealing with the family income security plan.

[*Translation*]

Mr. Prud'homme: Excuse me, Mr. Speaker, but I wish to raise a question of privilege.

[*English*]

An hon. Member: Sit down.

Mr. Prud'homme: Listen to the question of privilege first and then decide whether it is a question of privilege.

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. The hon. member for Saint-Denis on a question of privilege.

[*English*]

Mr. Prud'homme: For the benefit of my friend in the New Democratic Party, I wish to dissociate myself from the suggestion that I am a member of the Social Credit party. He is a socialist and I would like him also, before he makes any comment, to dissociate himself from the comments made by Social Credit of Canada concerning the conditions of the workers in Asbestos in 1949—

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. I am sure that the hon. member will, in due time, be able to express his views and bring forth the points that he considers worthwhile. However, for the time being, I recognize the hon. member for Yorkton-Melville.

[*English*]

Mr. Nystrom: Thank you very much, Mr. Speaker. I wondered whether the member for Saint-Denis (Mr. Prud'homme) might be one of those on the secret list of 20. At any rate, I assure him I definitely dissociate myself from the remarks of the leader of the Social Credit party: I think it is obvious that we do not share his philosophy regarding that particular incident.

The bill before us deals with the family income security plan to replace the Family Allowances Act which has been in effect since 1945. The leader of our party, when speaking to the House yesterday, said that our party finds the bill completely unacceptable. I share that point of view for a number of reasons, but primarily for two basic reasons which I think will come back to haunt the government. First, the question of universality has been discontinued in this bill and replaced by the principle of selectivity. Second, it will become a bureaucratic nightmare which I believe will make the crisis we had in respect of unemployment insurance during the past winter look like child's play when we begin dealing with all the regulations under the bill.

I would also like to make it clear that our party believes we should have in this country substantially increased basic family allowance rates. Our party has made that clear from the beginning. However, this is not the reason we are opposing the bill on second reading and have moved an amendment. Our party wants this bill to be universal rather than selective which I believe is a bad principle which pits neighbour against neighbour, friend against friend and indeed family against family in certain communities. Our party also believes that if we are to have equity in this country's social programs, there must be drastic changes to the Income Tax Act and our taxation laws.

The family allowances program was first introduced in this country on July 1, 1945. At that time I believe the government made a number of assumptions which basically were very good but which they are abandoning in Bill C-170. First of all, they gave recognition to the fact that families with children have special needs in our society. They recognized the fact that when a family has children it has needs which are basically different, special and extra to those of people who do not have children.

• (2050)

Secondly, under the legislation enacted in 1945 the government recognized that to ensure a greater measure of equality of opportunity for all children, such a measure was needed. These are two principles that I believe are being thrown out of the window either in total or in part under Bill C-170. The program as originally introduced in 1945 was not a welfare program; it was not a poverty program: it was money set aside to assist the mothers of Canada to raise their children and to provide them with some of the basic necessities of life. This is the principle that is being abandoned in the plan before us. It is becoming part of a welfare plan, and when you have selectivity such as this you attach to it a stigma that divides people.

As I have said, the need for such a plan in 1945 was to make up for some of the deficiencies in our system and our way of life. We wanted to provide something extra for families with children because I think everybody realized that when a person gets a job, whether he be a labourer, a teacher or a farmer, he is not paid according to the size of his family but according to his ability or the special status of the job. The family allowances program was one of the many ways in which we hoped to overcome this type of inequity in our society.

The old legislation recognized the importance of children to our country and the fact that they have special rights. It stipulated that the expenditure of the money from this fund should be used to help our children. I come from a family which was by no means affluent. My family was relatively poor, and I knew as a child growing up that the family allowance was of great assistance to my mother.

This principle will be lost in the new Family Income Security Plan, and it is a principle that should not be lost. Under the old Family Allowances Act the payment for children under the age of six was $5, for children aged six to nine it was $6, for children 10 to 12 it was $7, and for children aged 13 to 15 it was $8. In 1957 these payments were adjusted upward. In 1964 we introduced in the House a youth allowance for those aged 16 and 17. We now find that many of these principles which existed in the old family allowance plan are no longer part of the plan which is before us.

The new plan is not universal; universality has gone out of the window and we have adopted the principle of selectivity. The new plan is very much like the guaranteed income supplement for our senior citizens. They receive a basic $80 a month and if they are really poor they may receive a supplement of about $57.70 a month. There is a graduated scale under which if you

make a small amount of money the guaranteed income supplement is reduced.

I know, from travelling in my constituency which contains thousands of old age pensioners, that this is one of the complaints about which I hear perhaps most often except for farm problems. I refer to the frustrations which people have with this type of system, with the means test—frustrations which they have vis-à-vis their own families and others in the community. Despite this plan we know that hundreds of thousands of old people in this country are living in poverty, in conditions of which members of this House should be ashamed. We know, also, that this type of plan under the Old Age Security Act has created a needless amount of bureaucracy. It means the disclosure of a person's income. It creates a stigma. It causes a means test. These are matters which I do not think the Canadian people appreciate.

The new plan introduced in Bill C-170 is based primarily on three things. First, and most important, it is based upon the income of the family. Second, it is based upon the number of children in a family, and third it is based upon the age of the children. The amounts to be paid out under the bill are $15 for children under the age of 12 and $20 for children between the ages of 12 and 17. We find in the regulations that a family with one child, with an income of $4,500 a year, will not benefit from the plan. In other words a family with one child, earning less than $4,500, will qualify for the maximum payment. For each additional child the family income is allowed to escalate by $500.

According to the Minister of National Health and Welfare (Mr. Munro), the number of families who will benefit to the maximum will be fewer than one million. We find that for each $100 of additional income, the monthly benefit will decrease by 33 cents. If you add all these figures together you get the following result: 25 per cent of the Canadian families will be better off under the new plan than they were under the old one. We know that even this was questioned in the House the other day.

We find that some of the people under the plan will qualify for only one-half of the benefits. We know also that some of the provinces in this country might see this program as a means of paying less welfare as welfare amounts are adjusted and set according to family income. So perhaps not all the people who qualify on paper for the allowance will actually be better off a year or two from now.

We find that under the new plan, 42 per cent of the people will receive partial payments; they will not receive the maximum. Of this 42 per cent, about half will receive less than they are receiving now, and half will receive more than under the present legislation. We find that roughly one-third of Canadian families, or 33 per cent of one million mothers, will not receive any assistance under this legislation. I think that many of this 33 per cent are not very well off.

Many people will not receive any assistance at all are in the income bracket of $5,000 to $10,000 a year, and you certainly cannot consider them to be wealthy. Many of them are farm people in our constituencies. They are working people, unionized people, and some professionals such as teachers. Indeed, many of these people are average Canadian citizens. They will be subsidizing those who will receive benefits under this plan. In the long run it will create a great deal of misunderstanding in our society when one group of people who are not making very much have to subsidize those who are making slightly less. This is a way of turning one group in our society against another. It will divide our society and build up resentment. I will give one or two examples of what I mean. Let us consider a family, with one child, living in Toronto or Ottawa and making $5,001 a year. Under this plan they will not receive any benefits. Such a family is not, by any stretch of the imagination, wealthy. This situation will develop resentment in our country.

• (2100)

We find that a family with two children, both under the age of ten, with an income of $9,000 will receive a monthly payment of $3.60, which is less than they are receiving now. And the poor themselves, as I was saying earlier, do not get a much better deal. They are given a few crumbs, a bit of tokenism, a little bit more money, but that is all. A family with four children all under age ten, earning less than $6,000, will get $1,720 a year in payments, but under our archaic income tax laws such a family will lose $400. That is some deal for the people of Canada who need help!

The answer to the question before us today is obvious. We need a plan that first of all is universal. We need a plan that does not have a means test. We need a plan that has a higher basic rate of payment. And we need a fair taxation system. If we do not get these things and this bill goes through without amendment, then the new plan will create more resentment in communities and families than we have now.

I want to say a word about a subject dealt with eloquently this afternoon by my colleague from Vancouver-Kingsway (Mrs. MacInnis). It concerns the fact that under this bill many women feel they are discriminated against. Here I am thinking of hundreds of thousands of women who will no longer be receiving family allowance cheques. This is a point the government should keep in mind. It should not be too surprised if it finds that by next fall many of these women are very angry. The second major concern I have about the bill is that it will become an administrative, bureaucratic nightmare. I said earlier that it will make the unemployment insurance crisis look like child's play. The costs of administration will skyrocket. We already know, from an answer given by the government, that the present staff of 730 will have to be doubled to 1,477 as a result of this bill.

The new plan will cause a great deal of confusion in the minds of applicants. It will create a lot more paperwork for bureaucrats, a lot of needless expense that not only frustrates people but turns them against governments and government plans, including many of the better plans which we have in this country. It will create among people hostility to a family allowance plan that

could be good if we followed a few of the basic principles and philosophies advocated by many citizens.

Now I want to spend a few minutes considering some of the bureaucratic hang-ups and difficulties that we can get into with a plan of this sort. All applications for family allowance must be checked to determine the eligibility of the applicants. This is obvious under the type of regulations we have. We could get away from many of these difficulties if we had a universal program for all families according to the number of children in the family. Secondly, in the case of eligible applicants payment is based on family income and the age of the children. One gets into a great deal of paperwork if the family income changes and as the ages of the children change.

In the case of non-eligible applicants, appeals and explanations must be handled. We will have people applying who do not qualify. This will cause more bureaucratic hang-up than is necessary. Abuses of the plan must be handled. We all remember the unemployment insurance program and the Lift program with which western members in particular are familiar. You cause a great deal of resentment among people through the appeal procedure. Cases involving a substantial increase or decrease in income must be processed, with appropriate adjustments made to benefits. There may be an overpayment for some reason, or an underpayment. Again, adjustments must be made, causing great difficulty.

What about divorces and the effect they will have on the regulations? We have separations; we have marriages. These must be reported if the family income is affected and the benefits must be adjusted. When you have marriages, separations and divorces—and there are tens of thousands of them every year—it throws more bugs into the plan. Adjustments must also be made to benefits when estimated income differs substantially from actual income. We may find that some people halfway through the year will take a second job, driving a taxi or doing night work. The wife may start teaching in high school or in the local elementary school. As a result, the family income will increase.

Administrative machinery must be set up to recover payments made to ineligible persons. Here again, western members know the difficulties we had with Lift when the administration tried to recover overpayments that had been made. Expert administrative machinery must be set up to detect frauds such as misrepresentation of income, misrepresentation of the ages of children, misrepresentations as to the number of children, failure to report income and failure to report deaths, marriages and separations. This is the type of bureaucratic jungle that we will get into with this bill. Finally, administrative machinery for liaison with the provinces will have to be established. The courts will probably be burdened with new offences and people who are guilty will be liable to fines and, in some cases, jail terms.

These are some of the problems that our party is concerned about. We could avoid many of these unnecessary bureaucratic hang-ups if we had a plan that was universal, that made payments regardless of income, and if we had a fair taxation system that did not allow payments to be made to the very wealthy. The position of our party is supported by the Social Development Council. I wish to quote briefly from a brief presented by that council:

> Family allowances should be universal, paid to all families with dependent children as a social right thus avoiding divisiveness among families and any element of stigma. The present program has this feature but FISP would eliminate it.

This is precisely what we are trying to get across to the minister.

> There should be the maximum feasible simplicity and efficiency in administration. These features are virtues of the present family allowances program but FISP would undoubtedly be considerably more complicated and costly to administer.
>
> The program should be as fully compatible as possible with long-term social and fiscal policies. This is not evident in the FISP proposals.
>
> The program should have a built in escalation clause to meet the full amount of annual rises in the cost of living. This feature is not included in either the present program or FISP.

These are some of the things the Social Development Council is concerned about and that our party is concerned about. These are some of the reasons we are trying to get the government to make important changes in the legislation. As I said at the beginning, Mr. Speaker, basically we want three things. We want payments to be larger, we want them to be universal and we want the tax system to be reformed so that it is equitable and just. To me it seems very contradictory that we have so much money in this country for unnecessary things but when it comes to dealing with the average citizen we do not have enough money. I become very angry when I see some of the large tax loopholes that are available to the very wealthy and to large resource companies. During the last ten years, on average the gas and oil companies paid taxes on only 5.7 per cent of their profits.

• (2110)

What do we have for the poor people, the average worker, the farmer and the small businessman in our country? Basically, we have nothing but a government program that is so bureaucratic, so complicated that it will alienate half the people and do nothing for the other half.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to take part in the debate on the family income security plan one could become really concerned or look at it light-heartedly and say that perhaps it is a step in the right direction and all will be well once it is established. I think this question touches upon some of the deep-rooted philosophies that must be engendered, endured and borne by those in government. It touches upon the question of whether to be a pragmatist in government, operating on a day to day basis, solving the crisis of today tomorrow and the crisis of tomorrow the day after. But, Mr. Speaker, I think we have in Canada used this type of approach too long in government and it is time we decided upon our goals.

I have been involved in politics for 14 years, and when I compare society in Canada today with what it

was when I became involved I realize that the country has changed a great deal. Fourteen years ago I was a young man coming to Ottawa.

An hon. Member: You are still pretty young.

Mr. Horner: Thank you. Fourteen years ago I had a fixed concept of what made Canada tick and what made me proud of it. I was proud because I looked upon Canada as a society of middle income people with a low proportion of people who might be termed the exalted rich or the desperately poor.

An hon. member suggests that I might be blind, I wonder how old he was 14 years ago, and how well he had travelled Canada. I recognize him as the hon. member for Assiniboia (Mr. Knight). I think he was elected at 24 years of age, so 14 years ago he would have been ten years old, and probably had not travelled far from the town of Weyburn, Saskatchewan, and had no real information as to what made Canada tick.

Mr. Alexander: And still does not.

Mr. Horner: Nor had he any idea of what classes there were in our society.

Mr. Borrie: Just the middle class.

Mr. Horner: I was proud to be a Canadian in those days. We managed our economy and our society better than the United States, better than Great Britain, and we did not get into all the problems of Europe, East and West Germany, and so on. As Canadians, we had a lot to be proud of. As I measure success in the management of our society and the economy, I can only reach the conclusion that the situation has deteriorated.

We have seen a tremendous increase in the number of exalted rich, a tremendous increase in those who feel they should be classified as the desperately poor, and a shrinking of the middle-class society. The people in the middle class must carry the load in our society and pay taxes to support the desperately poor. They must also carry the load so that the exalted rich may escape paying taxes. Some hon. members may wonder how this can be, but there is a great machine called regional economic expansion which will hand out money to anybody and give all kinds of credit and relief in the form of grants. Many of the wealthy international and foreign companies located in Canada pay very little taxes because of the grants they receive. Indeed, sometimes the grants far exceed the amount they pay in income tax. We hand it back to them saying it is their duty to provide the jobs we desperately need—so much money for so many jobs. This is the criteria and concept we are involved in. I think it is time we paused to examine the cause of the problem, Mr. Speaker. It is partly due to the fact we have developed schemes which undermine the hard working wage earner, the person in the middle class category.

According to Statistics Canada, the average wage is in the area of $135 a week, roughly $7,000 a year. This is about the middle category. Under this new program, 30 per cent of the people now receiving family allowance will not receive it any longer; the next 18 per cent will receive less; the next 17 per cent will receive about the same amount and the next 35 per cent will receive more. The $7,000 a year wage earner will find himself in the position of asking whether he should try to earn more and declare his earnings, only to receive less because the universality of the family allowance program has been removed.

I have philosophized, Mr. Speaker, in order to indicate why I think this program is leading us in the wrong direction. I ask the Minister of National Health and Welfare (Mr. Munro), is this the only program on the statute books? I think I read in the Toronto *Star* that the minister said it is unrealistic to think that we can support present welfare and health care costs. Those may not be his exact words but he said something like that.

What does this program do, Mr. Speaker? It destroys the universality of the family allowance program. The old age pension is universal. I ask the minister if this is next to go. He shakes his head in a negative manner; I want that to appear in *Hansard*. I wish the Prime Minister (Mr. Trudeau) were in the House to shake his head in a negative manner too. We would be so much wiser and so would the minister. The old age pension and the hospitalization programs are universal. Anyone who is a citizen receives provincial hospitalization coverage. The millionaire can enjoy medicare as much as the desperately poor.

• (2120)

Then we introduced unemployment insurance. It doesn't matter how great your assets might be as an individual. You might, if you wanted to, sell your business or your farm and put $2 million in the bank and go to work for an average kind of income. After working for 180 days you might quit and collect unemployment insurance. A man might have even $3 million in the bank or $3 million worth of stocks and bonds: he would still collect unemployment insurance if he had paid into the fund. There is a universal concept in the unemployment insurance program.

Mr. Flemming: Do not forget medicare.

Mr. Horner: I mentioned medicare, hospitalization, the old age pension and unemployment insurance. There may be other areas I could deal with but they do not come to mind. Is the government's action in approaching this program on a selective basis the beginning of an attempt to destroy the universal application of a number of programs which have been passed and which reflect some degree of credit on this House? One might ask why I, a Conservative, am speaking this way, why I am concerned about universality. If you destroy the concept of universality, you will cut off from benefit not only the exalted rich but the people in the middle. Today, most people in Canada are in the middle. At least, it can be said that most were in the middle a few years ago: I do not think most people are in the middle today.

At the top end of the scale are the exalted rich and then you come to where most middle-class people were, or are. Those people will be asking themselves this question: "Shall I duck a little? Shall I quit working this month and perhaps not earn too much? Shall I moonlight a bit so that my apparent income will stay the same? After all, I will get free hospitalization and medicare benefits and I will qualify for the old age pension next year when I retire. Is it worth while working so hard?"

Do you see what I am getting at, Mr. Speaker? Destroying the universality of these programs will eventually erode the will of some Canadians. I think hon. members know what I am getting at and where my argument is leading. Most Canadians frown on the suggestion that people really do not want to work. For example, why cannot I hire a man? Why must I work 16 hours a day at a filling station in Calgary or wherever it may be, simply because I cannot hire a man to operate the pumps? After all, it is not a hard job; all he has to do is put the hose into the tank of a car.

Mr. Mahoney: Perhaps that is why the hon. member is never in Ottawa.

Mr. Horner: The hon. member for Calgary South (Mr. Mahoney) says that is why I am never in Ottawa. I want to make it clear that I do not own a filling station. I was saying that merely to illustrate my point. If the hon. member thinks I am never in Ottawa, let him consider this: why have many Liberals been coming to Crowfoot and saying, "That terrible member for Crowfoot is a thorn in our sides. He holds up legislation," and does this and that. How can one who is never in Ottawa do that, I ask?

Some hon. Members: Hear, hear!

Mr. Horner: I return to my argument. Many people running small businesses find it difficult to hire people. Why, Mr. Speaker? I say our society is turning industrious, serious and conscientious people off. It is destroying their incentive to work. Let me give another example involving income tax. Some say, "If you earn extra money you will go up into the next bracket and they will hit you with a 40 per cent rate." People do not want that. A hired man who has worked for me for many years said, "Can I earn more money now without increasing my taxable income?" I said, "Yes, you can earn more money and more of your income will be exempt from tax because of your increased exemptions. However, the money you earn will be taxed as a higher rate and you will pay a higher rate as a bachelor once you start making substantial amounts of money." He said "I will have to watch that." There you have a prime example of how a seriously minded person can be turned off, so to speak. Similarly, the proposed family allowances program which is to be part of our social security legislation will have a tendency to turn people off.

I am reminded of a poem I read a long time ago entitled, "Lifters and Leaners". The author is unknown. What it says is true of the direction in which our society is going today. The poem is as follows:

There are two kinds of people on earth today,
Just two kinds of people, no more I say.
Not the saint and the sinner, for 'tis well understood,
The good are half bad, and the bad are half good.
Not the rich and the poor, for to count a man's wealth,
You must first know the state of his conscience and health
Not the happy and sad, for the swift flying years,
Brings each man his laughter and also his tears;
No, the two kinds of people on earth that I mean,
Are the people who lift, and the people who lean.

I fear that is the direction in which Canadian society is going. We are dividing Canada, not into a society of the exalted rich, the middle-class and the desperately poor but into those who lift and those who lean. This piece of legislation will penalize those who are lifting and encourage growth in the number of leaners.

Mr. Borrie: There are those who lift and those who lean.

Mr. Horner: Yes, that is what I said.

Mr. Borrie: Those are the two kinds of people on earth.

Mr. Horner: The poem reads, "There are two kinds of people on earth today...the people who lift and the people who lean." I think that is true.

Mr. Borrie: And there are those who refuse to lift or lean.

Mr. Horner: Mr. Speaker, at one time we had an industrious middle class in Canada, willing to work and earn and contribute to Canadian society. We had a few exalted rich and a few desperately poor, yet most were in the middle. Today the middle-class is shrinking. In other words, there is a different sort of division in our society today. Government have encouraged growth in the number of those willing to lean. An increasing number of people say, "To heck with lifting." I was going to use a stronger adjective but thought better of it. People are fed up with contributing to a society that does not appreciate them and overtaxes them. Basically, this bill will tax them.

Mr. Borrie: The hon. member is selling Canadians pretty short.

Mr. Horner: The hon. member, who is rarely seen here and who seldom speaks in the House, says I am selling Canadians short. I want Canadians to be strong. I want to be vigorous. I want them to buck right in there and hit the collar, as we say in western Canada. As legislators, we are not encouraging them to do that. I am not saying all people are fed up with working. I am not saying all people are not prepared to do their bit. I am saying that we as legislators are encouraging many of them not to work. We are encouraging many to become leaners. This whole concept is wrong.

• (2130)

One of the greatest evils in our society today—I say this without hesitation—is the politician in this House

who can swallow himself whole on a day to day basis. There are too many persons of that kind in this House. They hope that at the end of next week or next month, through some great undercurrent they will again rise to the top, float and be able to say "I was okay. Nothing really hurt me. That is what the folks wanted and that is what we gave them. They do not know it will hurt them in six months." This is the kind of politician I despise. If all the people in their constituencies wanted candy tomorrow, they would give it to them. However, they will not be back here after the election this fall.

Mr. Borrie: It is the 14-year politician who does that.

Mr. Horner: I have often wondered about the age of the Prime Minister. I did not know whether he was 14 or 16. It seemed to me it had something to do with even numbers. I did not know whether he was 16, 18, 36, 38, 46, 48 or 52. I knew his age was on even number.

Mr. Borrie: You forgot the opening remarks of your speech.

Mr. Horner: I never forgot them.

Mr. Borrie: You thought Canada was great 14 years ago.

Mr. Horner: I thought Canada was great 14 years ago, and I still think there is potential for Canadian greatness. However, we as politicians must recognize our evil and wayward ways.

Mr. Borrie: Quit selling us short.

Mr. Horner: We must correct the situation and quit being guided on a day to day basis by politicians who believe they can swallow themselves today. They give the people what they want today and hope it will not catch up with them tomorrow.

Mr. Skoberg: Are you supporting the bill?

Mr. Horner: I am supporting the amendment moved by the leader of the New Democratic Party (Mr. Lewis), or the fellow who sits next to him. I am referring to the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). I thought he was still the leader because he and the hon. member for Winnipeg North Centre (Mr. Knowles) are always advising the present leader, who is going nowhere in the NDP. While I agree with and am supporting the amendment for absolutely different reasons than he, I believe there is some merit in the concept of universality for many of the social welfare or social justice programs that are on today's legislative books. For that and other reasons which I have expressed, I wholeheartedly support the amendment.

I see the Minister of National Health and Welfare has returned to the chamber. I wish to direct a question to him.

Mr. Skoberg: How about Bill C-170?

Mr. Horner: It is a dangerous thing to get Jack Horner involved in—Bill C-176, did you say?

[Mr. Horner.]

Mr. Mazankowski: What is Bill C-176?

Mr. Horner: Bill C-176 was a further erosion—

The Acting Speaker (Mr. Boulanger): Order, please. I think the Chair has been very generous to the hon. member who has the floor, but he should address himself to the Chair and stay with the amendment before us.

Mr. Horner: Thank you, Mr. Speaker; I will do my best but the House seems to be in a mood to heckle. Normally I am not distracted by idle remarks made by members to my left and members opposite, but it appears that I was bothered this evening. I apologize to Your Honour and hon. members for allowing myself to be bothered.

I wish to direct a simple question to the Minister of National Health and Welfare. I hope that before this legislation is passed the minister will explain the statement I read in the Toronto *Star* yesterday, that it was unbelievable or unrealistic to expect that Canadians can stand the welfare or health costs of today and then bring forward a piece of legislation which will increase the basic cost from $640 million a year to $800 million for the coming year. We all know that after a few years these costs build up and proliferate. How does the minister explain that concept? Is this the kind of system that will repay itself, such as the old age security pension plan? No, it is not. It is a direct drain upon the taxpayer. The exalted rich escape paying taxes and the desperately poor are not in a position to pay them. This is an increase in tax for the shrinking middle-class. That is my first question.

Second, in destroying the universality of the family income security plan or, as it is commonly called, the family allowances plan, is this the first step toward destroying the universality of many other social justice programs?

Mr. Borrie: Socialistic?

Mr. Horner: I said social justice. You treat it any way you like. It means different things to different people. To us it means fair play for Canadians. To the Liberals it means fair play for the Liberals.

Some hon. Members: Hear, hear!

Mr. Horner: Excuse me, Your Honour; I am being sidetracked again. Is this the beginning of destroying the universality of the hospitalization program, the medicare system and the unemployment insurance system, which does not come under this minister's department? Before I was interrupted by the catcalls I had referred to the old age security program. While I do not place much credence in the minister's remarks, because we know the Prime Minister rules all his ministers, with the upcoming election the minister's remarks should be on the record. Under the new cabinet system of evolving policy, the Prime Minister rules everything, the cabinet and a couple of other important people. Some people have referred to them as the three wise men, and the minister is not one of them.

Mr. Borrie: I am not one of them.

Mr. Horner: Even though the minister may be overruled by the inner cabinet, to use a polite expression, with the upcoming election he should place his views on record. As the leader of the Liberal party in Manitoba asked about another piece of legislation, is this the tip of the iceberg? I ask this question with regard to the concept of universality in social justice programs that has been long established in this House and the Canadian system. If it is, it amounts to a re-enaction of the means test. The means test draws a line down the middle, and this is where we find the man who carries the lunch-pail, the man who is earning $135 a week. In effect, we are telling him, "Duck below the line and you will get certain services provided free by the government. Do not stick your head above that line, whatever you do." That is the curse of a means test. A means test may be all right in the case of persons over 70, but is the House aware that 67.4 per cent of those over 70 are living below the poverty level? I do not think it is. Yet this is a fact attested to by Statistics Canada.

• (2140)

Are we taking a retrograde step today? Are we returning to an all-inclusive means test which will affect every worker? I have told hon. members what this proposal means. It means that 30 per cent will get no benefits, that 18 per cent will get less, that 17 per cent will get the same, and 35 per cent will get more. Seventeen and 35 make 52. We are right on the halfway line. A person earning less than $7,000 is wise to continue to earn less than $7,000. A person earning more than $7,000 is wise to get below that figure somehow or other. Don't work for two months; go moonlighting where the people in the inland revenue cannot catch up to you. The minister smiles. If he only knew how many people are doing that in today's society. If he only knew how many teachers, how many farmers, how many lawyers—

Mr. Gilbert: Lawyers?

Mr. Mahoney: Doctors?

Mr. Horner: Yes, lawyers. I said that because the Minister of National Health and Welfare has a law degree. I heard the hon. member for Calgary South (Mr. Mahoney) throw in the word "doctors". Yes, doctors, teachers, dentists—you name it! We are all human.

An hon. Member: And ranchers.

Mr. Horner: And ranchers and farmers. We are all human. Draw the line. Recreate the cruel means test. It will apply to the working person and you have caught the guy who carries the lunch-pail, who goes to work every day. Is there not some reward for him in this society? I was about to use a bunch of adjectives such as the average working man would use, but I thought better of it. This will strike at the man who carries the lunch-pail, who eats baloney sandwiches or peanut butter sandwiches, or whatever it is, every day and goes back home for a hot dinner at night. If a man earns more than $10,000 he will get nothing at all. And his wife will say, "What are you doing with my money? Give me some money. You are taking the pin money; you are taking the cream cheque money, the egg money." My mother used to get the cream cheque; we boys milked the cows.

An hon. Member: Don't forget the cookie jar, Jack.

Mr. Horner: The cookie jar was always empty; I had a sweet tooth. But this is removing the money which the average wage earner's housewife really felt was hers. She spent it on the children. She bought little Susie a new dress. She bought little Peter a new pair of shoes.

Mr. Mahoney: Or a Barbie doll.

Mr. Horner: Or a Barbie doll. She bought milk for the children or maybe she got a hairdo one week out of 17. There was no need to ask her husband for the money; it was her money and she spent it on the family.

The average housewife will be right on the line. Is her husband earning more than $7,000? If he is, she gets less. If he is earning more than $10,000, she gets nothing. Ten thousand dollars is not a lot of money today in the cities, although it is a lot of money to the farmers and to many other people. Thank the Lord, as far as the farmer is concerned it is net income, it is taxable income and it may therefore not affect very many farmers. But it will affect a great many housewives in the cities. We are told that by 1980 two-thirds of the Canadian people will be living in our major population centres.

Then there is the likelihood of inflation. I do not wish to go into the subject very deeply, but with an increase of more than 30 per cent in the money supply experienced this year, and a 21 per cent increase last year, by next fall, when this legislation really hits home, inflation will be running wild. The Liberals say, "We hope the election will be over by then, and everything will be great." But a year from now, with wages increasing in line with the rate of inflation allowed by the government, the $7,000 limit will not suffice and an increasing number of average wage earners will be disqualified from benefit under this measure. So the average housewife will have less money to spend on her family, the family she treasures, the family she tries to encourage and raise.

For these reasons, I believe the legislation to be a retrograde step and I support the amendment now before the House. I hope, should the amendment be defeated, that a worthy colleague of mine will move an amendment warranting the support of the most vocal heckler I have encountered this evening and, also, the support of the triumvirate sitting in the front row of the NDP benches. I sometimes wonder which one is the leader, but they all make a fair stab at it and I would like to think that they would support a further amendment.

• (2150)

Mr. A. P. Gleave (Saskatoon-Biggar): Maybe there is not too much left to say, but I will say this, Mr. Speaker. For those on the other side of the House, for those who are the government tonight, there is a great deal left

to say. Before this bill is dead, buried and forgotten they are going to hear it said. I suggest to those on the other side of the House that they think a little more and remember why and under what circumstances this legislation was placed on the statute books of Canada. It was placed there by a man who for a number of years was one of the most consummate politicians to grace the scene, Mackenzie King. He brought in the legislation at an appropriate time, as well as bringing in certain other legislation. He did so, not because he was a progressive reformer but because he was a politician and the CCF party was breathing down his neck.

An hon. Member: Who are they?

Mr. Gleave: If the people to my right do not remember who they were, we will refresh their memories during the next election campaign. And that goes for hon. members opposite too. The legislation we are talking about tonight was brought in for these reasons. Let us give the man who at that time was head of the Liberal party credit that he was enough of an economist to understand that we have to find ways and means of distributing income to those who are disadvantaged. I do not think he would have brought the legislation in except for that, and for the fact he was being threatened by members of the CCF who were offering the Canadian people an alternative to poverty and hardship and the Canadian people were beginning to believe them.

Therefore the family allowance legislation was brought in, as was unemployment insurance. These were two basic programs that were introduced, both of which are now being sabotaged by this government led by a technocrat with ice water in his veins, a man with no basic concept of what this country is all about, who cannot bring to bear an understanding of how to use the wealth we produce. Since he and his party cannot conceive how to use the wealth of this country, they must bring in programs that share poverty around. The options are either to use the wealth that society can produce or to ensure the existence of the privileged few who sit at the top, while sharing the balance of the poverty around.

Look what has been done to the unemployment insurance legislation. Members on the back benches as well as on the front benches—though the latter have some expert help available to them—are trying to solve the problems that the unemployment insurance bill has created in an endeavour to relieve the misery visited on those who cannot quite conform to the new circumstances.

The government is now going to turn the family allowance legislation around and we shall be doing the same thing again—trying to correct the injustices, inequities and unworkable situations that will be created. Can the government tell me how it is going to administer an act that bases the right of an individual to claim payments on the income that he declares, when his income may vary anywhere from $3,000 to $8,000 from one year to the next? Certainly this will be the case with fishermen, farmers, people in urban areas where the wife may work for five months of the year, or for 12 months, or not at all if she is bringing a child into the family.

[Mr. Gleave.]

How in the world will the government even things out? The previous speaker mentioned that you will be pretty well able to tell a person's level of income by seeing whether he claims a family allowance cheque or not.

What baffles me is why we need this legislation in the first place. It would be far simpler to use the taxation system and tax back surplus income in the higher income levels. But instead of that, the government are increasing the amount of family allowance cheques. They are devising a way to get their fingers on an individual to whom they think they are giving some money, but secretly think that they and their family do not deserve it at all. Their real wish would be to take the money away entirely, but they cannot quite get away with that and know it, so they have to fiddle around and half clobber it. That is the objective of those on that side of the House; that is what they are after.

Led by a technocrat, advised by people in high finance who if they had to run their own business would have been broke yesterday, the government is continuing its folly. Hopefully, before this debate is concluded the government will recant, change its mind and back away from this folly that they now propose to visit upon the Canadian people.

May I call it ten o'clock?

The Acting Speaker (Mr. Boulanger): Order. The Minister of Consumer and Corporate Affairs.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, I know the minister wishes to speak to a matter, but could I ask about the business of the House? Unless an election is called during the night, will we be starting with the CN financing bill tomorrow?

Mr. Deachman: Mr. Speaker, I understand that the probability of an election being called during the night is somewhat remote. The chances are that we can survive until the beginning of the week. In that event we will deal with the CNR bill tomorrow. Then, if we are allowed to proceed we will have an opposition day on Monday, and following that we will be back to—if you will excuse the lisp—FISP.

ROUTINE PROCEEDINGS

COMBINES

INVESTIGATION OF CLOSING OF TORONTO "TELEGRAM" AND PURCHASE OF SUBSCRIPTION LIST BY "STAR" —CORRECTION OF ANSWER GIVEN DURING QUESTION PERIOD

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, I rise to request unanimous consent of the House to revert to motions to correct a statement that I made during the question period today.

The Acting Speaker (Mr. Boulanger): Does the House agree?

Some hon. Members: Agreed.

Mr. Lewis: After he has made the correction.

Mr. Andras: Mr. Speaker, my correction is to an answer that I gave to a question put by the hon. member for York South (Mr. Lewis) who asked me about a transaction involving the Toronto *Star* and Toronto *Telegram*. As I indicated I would, since I had some hesitation in the answer I gave today, I double-checked with the director under the Combines Investigation Act and he has advised me that he still has the matter before him. In the process I have satisfied myself that he is giving it his proper attention. However, in accordance with well established practice, no further information can be given with regard to a formal inquiry in progress unless or until the proceedings are published or until proceedings are commenced in the courts.

• (2200)

Mr. Lewis: Perhaps the minister would be good enough to inform the House that what the director has before him he has in fact had before him since last October. Does the minister know whether that is so?

Mr. Andras: I believe that is the correct date.

PROCEEDINGS ON ADJOURNMENT MOTION

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

OIL—INQUIRY AS TO REVOKING OF DRILLING PERMITS FOR BRITISH COLUMBIA COASTAL WATERS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, on Wednesday, March 8 as recorded at page 635 of *Hansard,* and on Tuesday, March 14 as recorded at page 798 of *Hansard,* I asked certain questions of the Minister of Energy, Mines and Resources (Mr. Macdonald) seeking to ascertain whether or not the government had issued oil drilling permits to Petrotar Development Limited of Calgary covering 2.7 million acres of coastal waters of British Columbia. The answers to those questions were so inconclusive and evasive that I decided to put this matter up for debate on an adjournment motion.

I want to point out that the revelation that these permits had been granted came in the British Columbia legislature from a statement made by resources minister Ray Williston which accused the government of Canada of talking out of both sides of its mouth by agreeing to any exploration in Queen Charlotte sound while publicly agonizing about offshore oil pollution.

When these facts came to light, the hon. member for Esquimalt-Saanich (Mr. Anderson) immediately rushed to the press to assure the public that no such permits would be issued for exploration of offshore areas without the approval of the Minister of the Environment (Mr. Davis). According to the *Fisherman* of February 9, the Minister of the Environment himself described the federal permits as an error which would not be repeated. On February 4 he was reported as saying that he had discussed this politically sensitive issue with the Minister of Energy, Mines and Resources and the Minister of the Environment is quoted as saying he was assured there would be action to recover the permits.

Consequently, I have been trying to find out, first, whether these permits were issued and, second, whether or not they have been rescinded. I therefore placed a question on the order paper, question No. 322 of March 16 of this year. It was passed as an order for return yesterday, April 19. Here are the questions:

1. How many oil exploration permits were issued by the Department of Energy, Mines and Resources during 1971 covering areas of the coastal waters on the Pacific coast?

This is the answer:

1. 40 oil and gas exploration permits.

The second question is as follows:

2. How many oil exploration permits on the Pacific coast were outstanding as of March 1, 1972?

The answer is:

2. 237 oil and gas exploration permits.

I will skip question No. 3 and come back to it later. Question No. 4:

4. What permits, if any, have been revoked since January 1, 1972?

The answer is that there were none. Question No. 3 reads:

3. What were the names and addresses of the companies granted these permits, on what dates were they issued and what is the area and the location covered by each permit?

The following is the answer:

3. A list of the oustanding permits, their dates of issue and area covered by each permit is attached as Schedule A, together with a permit map.

A list of the companies holding these permits and their addresses is attached as schedule B.

I have that map. It is rather interesting that the oil permits granted cover practically all of the west coast of Vancouver Island and practically all of the coast of the mainland with the exception of the Strait of Georgia. For from the statement which was attributed to the Minister of the Environment that these 40 permits granted to Petrotar Development Limited of Calgary would be rescinded, we find that they are still in existence, that they have not been revoked.

The Minister of the Environment himself seems to have had a change of heart. I have here a copy of the speech which he delivered on Monday, March 13 to the United Fishermen and Allied Workers Union in Vancouver. In that speech he said:

The likelihood of serious damage occurring of course varies from place to place. Out on the big bank off Tofino, we don't have the same urgent problem as we would have were the same spill to occur off Saturna for example.

It is interesting, with the Pacific Rim Park located in that area, and with Long Beach in that area, that the minister did not think it is a sensitive area. He went on to say in the same speech:

Let me make my own position quite clear. I am opposed to the drilling for oil in Georgia Strait. But I am not opposed to drilling for oil everywhere on our big continental shelf. I am not opposed to it 400 miles out on the Grand Banks of Newfoundland. I am not opposed to it 40 miles west of Victoria either.

The minister may not be opposed to it, but the people in my constituency are opposed to it because this would bring drilling down to areas such as Port Renfrew, Jordan River, Sooke and Metchosin. Not many people in that area are aware of the fact that a present there are five drilling permits granted in the Strait of Juan de Fuca, covering 161,450 acres. We want a clear statement from the government as its policy. Who is going to grant these permits? Is the Minister of the Environment going to have the final say, or are we going to get the same sort of thing we had in 1968 and that we have had again this winter, of one minister granting permits and another saying they will be revoked, but the permits stay and the drilling continues and the coastal waters of B.C. can be polluted by oil spills?

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): As the hon. member has indicated, we provided him with a tremendous amount of information and material so that he could research the address which he has made tonight. With the concurrence of my minister, the Minister of the Environment (Mr. Davis) announced in Vancouver on March 13 that exploration and drilling for oil would be excluded from sensitive offshore zones. Our departments will work together on the definition of these offshore zones. The total west coast acreage is 16,272,694 acres, covered by 239 permits outstanding. On the Atlantic coast, 4,259 permits cover 315,714,483 acres, and in Hudson Bay and the Hudson Strait region 70,592,807 acres are held under 1,152 permits.

If any of Petrotar's permits should fall within environmentally sensitive zones, then we will be discussing with that company the kinds and conditions of work which will not be allowed. I should like to confirm the government's position that subject to this zoning, exploration and drilling will be encouraged in the offshore frontier in strict adherence to regulations currently enforced by my department and judged to be among the most stringent anywhere in the world.

• (2210)

Permit acreage may revert to the Crown by reason of surrender of a permit or half permit by the permittee, cancellation of a permit by the minister, expiration of a permit, surrender of a portion—50 per cent or more—of the acreage within a permit area upon conversion of the permit acreage to lease form. Voluntary surrender accounts for a considerable proportion of the permit acreage reverting to the Crown. Last year, some 42 million permit acres in Hudson Bay were surrendered back to the Crown. A permittee may decide to surrender a permit for any of a great variety of reasons, but basically what it boils down to is that the permittee cannot meet the obligations involved in holding the permit or he decides that the prospective benefits of holding the permit are outweighed by the obligations involved.

[Mr. Douglas.]

NATIONAL DEFENCE—RENT INCREASES FOR MARRIED QUARTERS—SUGGESTED DELAY UNTIL PARITY WITH PUBLIC SERVICE ACHIEVED

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my presence here this evening arises from questions that I asked on St. Patrick's day, March 17, recorded at page 919 of *Hansard*. These were in connection with the attitude of the government with respect to its decision on rental rates for married quarters at Canadian Armed Forces bases.

On that date I put essentially two propositions to the minister. First, I asked whether or not it was right that the government's decision, to change the basis on which the rents are assessed for married quarters, was based on the decision to proceed to parity, so-called, between the Canadian Armed Forces and parallel positions in the public service and, if that in fact were true, whether the government would not admit that it would take at least a full year before this came about. The President of the Treasury Board (Mr. Drury) replied:

Mr. Speaker, it is an interesting suggestion. I think, however, that the hon. member is quite correct that the eradication of inequalities is done in two stages and will not be completed until next year.

I then asked, if it is in fact based on parity, would the government not consider delaying implementation for a full year. The new rental systems, while relieving to some degree the rents being paid by about 7,000 or 8,000 families, impose in some cases substantially higher rents on about 16,000 or 17,000 families. If the principle of eradication of the inequalities between the Canadian Armed Forces and parallel positions in the public service is a valid one, why is it that the government will not even give consideration to this particular request?

Secondly, when will the government get around to recognizing the difference in relationships between veterans, Canadian Armed Forces personnel who served during war and personnel who have not had that opportunity, because of their age and the accident of their particular period in the Canadian Armed Forces, who are not qualified veterans in the sense that they are eligible for reasonable percentage rates, if you will, or funds for the purpose of buying a home, building a home, and major rennovations to existing properties? And will the government now give some consideration to a major review, not only of the rental situation that exists with respect to Canadian Armed Forces married quarters but of the whole way in which we treat present day serving members of the Canadian Armed Forces?

I made a suggestion in the question I put to the President of the Treasury Board on that day. The question appears at page 919 of *Hansard* as follows:

I wonder whether he would initiate discussions within the cabinet with respect to a system which would permit Canadian forces personnel who are compelled to a major degree to live in rented quarters during their careers—

Mr. Speaker, an opportunity to build equity would be a method by which a percentage of their rent could be set aside against their retirement so that they would have the funds with which to establish themselves more readily in the civilian community. These are two reasonable requests. They have some urgency and the government has an obligation to its armed forces personnel to be aware of their social needs and the difficulties they face on retirement. They should be aware, as well, of the difficulties faced by young families with growing children which have the usual commitments of most families today.

I have not seen the minister for a couple of months and I wonder whether he comes to the House of Commons any more, but perhaps whoever is to speak on his behalf could give us some thoughts on these two or three points which are minor in a way though major in consequence to Canadian armed forces personnel.

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to the President of the Treasury Board): Mr. President, before replying to the second question put by the hon. member for Dartmouth-Halifax East (Mr. Forrestal), if I have understood his last remark, he has not seen the president of the Treasury Board in the House for some time. I feel I should clarify the matter and say that the President of the Treasury Board is present in the house in keeping with the established roster whenever his presence is required.

As I mentioned, Mr. Speaker—

[*English*]

Mr. Forrestall: I was talking about the Minister of National Defence (Mr. Benson).

Mr. Clermont: I am sorry if I did not properly understand the hon. member for Dartmouth-Halifax East (Mr. Forrestall).

Mr. Forrestall: Had he come into the House I would not have directed the question to your minister.

Mr. Clermont: Mr. Speaker, I shall reply to the second request. It is assumed that this proposal does not relate to superannuation entitlements but that it envisages the accumulation of a capital fund on behalf of the individual which would be made available to him on his retirement, when he would have to leave his military quarters, to assist him in securing other accommodation.

A similar idea has been put forward in another forum. The Treasury Board has initiated a review of its policies relating to the provision of public service living accommodation. There have also been consultations about these policies within the National Joint Council and representatives of the staff associations have made a similar proposal for the development of an equity on behalf of public servants who occupy and pay rent for government-provided accommodation. This general idea will be examined during the course of the policy review, and the proposal related to armed forces personnel can be studied within that context.

It might be observed that while the idea may seem attractive at first sight, there are difficulties associated with it. In particular, the question of equitable treatment will arise. If it is clear that our employees are being charged a fair rate of rental for their accommodation—and we believe this to be the case—then the dedication of part of this rental for their own future use would, in effect, imply an increase in the compensation paid to them for their services. This increase in compensation would not be shared by other employees who do not occupy government-provided housing, nor would it be shared, of course, by those who are not in the public service. Considerations such as these will have to be taken into account when this proposal is examined.

• (2220)

POLLUTION—WRECKING OF FREIGHTER "VANLENE" NEAR PACIFIC RIM PARK—STEPS TO SUPPLY ADEQUATE EQUIPMENT FOR CLEAN-UPS AND STRENGTHEN NAVIGATIONAL RULES

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, on the first occasion on which I could secure the floor during the question period following the visit to the ill-fated *Vanlene* which grounded on a rock near Pacific Rim Park off the west coast of Vancouver island, I raised a question which I hoped to address to the Minister of Transport (Mr. Jamieson) with regard to what steps were to be taken to prevent similar, blundering types of disaster in the future. I suggested that it was more by good luck than good management that we avoided a major ecological disaster.

In particular, I wanted to know what had been done under regulations coming under the new part XIX of the Canada Shipping Act. I also raised some questions about improving methods of clean-up. I intend to raise the question of the shipping regulations tonight. I think it is much more important to consider prevention than to attempt to arrive at a cure after a disaster has happened. In this connection, may I refresh the memory of the House with regard to what part XIX of the Canada Shipping Act provides. Section 739(1) of the Canada Shipping Act provides that the governor in council may make regulations among other things:

> (g) requiring ships in waters to which this part applies and with respect to which the regulations are made applicable to have on board, maintain and use appropriate charts, tide tables, lists of lights and other nautical publications;
> (h) respecting the number and qualifications of navigation and engine room personnel, including pilots and lookouts, required to be on duty on ships of any class designated in the regulations in any waters to which this part applies and with respect to which such regulations are made applicable;
> (i) prescribing procedures and practices to be followed by persons on board ships in order to ensure safe navigation in waters to which this part applies; ...
> (o) establishing compulsory traffic routes and other shipping traffic controls considered necessary for safe navigation in waters to which this part applies and with respect to which those regulations are made applicable;

Obviously, Mr. Speaker, those regulations were not effected in this case. I suggest to the House that even if they had been effected, they would have been ineffective to the extent that the act up to now has applied

only to Canadian waters, that is, within the 12-mile zones and within the fishing zones of Canada. I wish to draw to the attention of the House the fact that just over one year ago, on March 1, 1971, I moved a report stage amendment to that legislation which would have provided that the act would apply to waters outside our fishing zones and territorial zones to a distance of 100 nautical miles seaward.

I am glad to see that some hon. members of the House have become interested in the subject since the recent disaster. I wish the hon. member for Victoria (Mr. Groos) and the hon. member for Esquimalt-Saanich (Mr. Anderson) had seen fit to support my effort to have that kind of additional safeguard written into the legislation at the time it was being considered by the House. If those additional provisions had been in effect, and if the regulations had been in force, obviously the *Vanlene* could not have run into the rock off Austin Island. Imagining he was still eight or ten hours steaming distance from the nearest land, the master, according to preliminary news reports, thought he was in a position that was somewhere opposite the shore of the state of Washington.

I suggest it is not much use our going through the long and painful exercise, as we do in the House and committee, in enacting legislation if that legislation is merely to gather dust on the shelves around Parliament Hill. Rather, these regulations ought to have been in effect. The kinds of controls that are suggested in the legislation should have made this particular shipwreck unnecessary and should have prevented it. It is one that could easily have been avoided if the regulations, in conjunction with the provisions of the Pilotage Act which we also passed in the previous session, had been in effect.

May I point out that the Pilotage Act provides that the pilotage authority may, with the approval of the governor in council, establish compulsory pilotage areas and prescribe the ships or classes of ships that are subject to compulsory pilotage. In the interpretation section, the act reads:

> (d) "compulsory pilotage" means, in respect of a ship, the requirement that the ship be under the conduct of a licensed pilot or the holder of a pilotage certificate;
>
> (e) "compulsory pilotage area" means an area of water in which ships are subject to compulsory pilotage;

While I am very happy about the fact that the *Vanlene* did not cause any major ecological disaster despite the fact that the long-term damage of the oil that did escape has not been fully assessed, nevertheless if it had been carrying a cargo of oil instead of a cargo of motor cars manufactured in Japan bound for the port of Vancouver, we could have had a disaster on the west coast of Vancouver Island equal to or greater than the one that occurred in Chedabucto Bay some time ago.

In raising this question I hope I will get an affirmative answer from the government that the regulations under the two acts to which I have referred will become effective immediately and a full assessment will be made of the inadequacies that have been revealed in the clean-up efforts which took place in connection with the *Vanlene* wreck.

Mr. Jack Cullen (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, limited as I am in my time, I cannot reply in a precise way to the hon. member, certainly not in the manner that I would wish. I think the hon. member from Comox-Alberni (Mr. Barnett) will find that he has the full support of all members of this House in the desire to see the greatest possible degree of marine safety employed in Canadian coastal waters.

I understand that the hon. member and my colleague from Esquimalt-Saanich (Mr. Anderson) visited the wreckage site of the *Vanlene* and saw first-hand the work being administered by federal authorities in an attempt to minimize the pollution threat from that vessel. I am informed that a great deal of progress has been achieved in setting up our national contingency plans for this type of pollution, and that millions of dollars are being spent to provide the necessary tools to cope with major oil spills. The Department of Transport has an extensive equipment program under way. Contracts have been let for the construction of specialized equipment and other types of anti-pollution devices are being procured.

Hon. members may recall the success of the Great Lakes contingency planning structures with the U.S. authorities. That plan went into effect last summer. There now are similar plans for the east and west coasts which will provide for joint response and support in areas which are of mutual concern to our country and the United States.

The Minister of Transport (Mr. Jamieson) indicated to the House on Tuesday, April 18, the progress which is being achieved with respect to the enactment of regulations under part XIX of the Canada Shipping Act. These include oil pollution prevention regulations, ships' garbage regulations and traffic routing regulations. In the final stages of planning are additional regulations which will affect ships' navigational appliances, charts, publications and deck watch. The shipping industry has, of course, been consulted on these matters and it is anticipated that they will be gazetted in the next three or four months.

Motion agreed to and the House adjourned at 10.31 p.m.

HOUSE OF COMMONS

Friday, April 21, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

PRESENTATION OF PETITION REQUESTING INITIATIVES TO STRENGTHEN UNITED NATIONS

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in accordance with Standing Order 67 I wish to present to the House of Commons a petition signed by approximately 8,000 Canadians from all parts of the country requesting initiatives to strengthen the United Nations so that that body will become a more effective instrument for world peace, justice and development.

* * *

FISHERIES

PROPOSED BAN ON COMMERCIAL SALMON FISHING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, under Standing Order 43 I move that Canada's unilateral proposal to ban commercial salmon fishing on the Atlantic coast for ten years be referred to the Standing Committee on Fisheries and Forestry so that various points of view may be heard and considered before a final policy announcement is made by the government.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Fundy-Royal. This motion, presented to the House under Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put at this time.

• (1110)

ORAL QUESTION PERIOD

AIRPORTS

PICKERING TOWNSHIP SITE—PUBLICATION OF INFORMATION ON SELECTION OF SITE AND DECISION THAT ADDITIONAL FACILITY NEEDED—COMMITTEE INVESTIGATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had some questions for the Minister of the Environment who was supposed to be here today but no doubt he is unable to be present. I should like to ask the Minister of Transport whether he can tell the House in what form the information and data that he intends to make public with regard to the proposed Pickering airport will be made available and when it will be made public?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, a group of experts, I suppose one could call them, is now in the process of distilling the volumes of information that led to the decision. Some of that material has already been produced and additional material will be available early next week. On Wednesday morning, I believe, at nine a.m. I am to meet with one of the groups interested in this particular project. I have also indicated that I would be prepared to meet with any other groups. These preliminary meetings will be for the purpose of indicating to them just exactly what information is available and to try to work out some formula or format so that they can have an opportunity to examine all of it in detail. In other words, it will be a question of getting a response from them on what they feel is the best technique to employ that will be meaningful and give them all the facts that led to the decision.

Mr. Stanfield: Does the minister intend to make available to these groups and to the public generally the relevant reports and documents and the reasons for the decision taken a number of years ago in favour of an additional airport in the area? I am not referring to the decision on the location.

Mr. Jamieson: Yes, Mr. Speaker. As far as the government and myself are concerned, all the work that has been done dating back in fact to 1966 will certainly be opened to anybody who wishes to see it. By that I do not mean on an individual basis, with many thousands of people wandering in and looking at individual documents, but the record in its totality is available. What we have done as a first step is to take these many thousands of documents and attempt to distil the information so that we can indicate to the groups what is available. It will then be for them to decide how much further they want to

go and whether the distilled versions we have prepared and are in the process of preparing are adequate. If they want to go deeper into it, it will then be strictly a mechanical question of the best way of arriving at that kind of arrangement.

Mr. Stanfield: Is it the intention of the minister to make arrangements to appear before the Standing Committee on Transport and Communications? I think this was suggested by the Prime Minister at one time as a probable course. Does the minister intend to appear before that committee with all the documentation and subject himself and his officials to such examination as the committee may care to make into the question of need for an additional airport quite apart from the actual choice of location?

Mr. Jamieson: Yes, Mr. Speaker, in two forms if hon. members so desire. I might remind the Leader of the Opposition that my main estimates are being examined at the present time. I have not yet appeared personally before the committee, but this would be one opportunity. If the committee were to decide that it wished to have a special session with regard to the matter of airport development, I would certainly be more than pleased to attend. It goes without saying, of course, that the information to which I referred earlier will also be available to all members of the House.

PICKERING TOWNSHIP SITE—POSSIBLE RECONSIDERATION OF DECISION FOLLOWING COMMITTEE INVESTIGATION—REPRESENTATIONS BY PARLIAMENTARY SECRETARY TO PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have a supplementary arising out of the questions that have been asked and regarding which I raised a number of questions several weeks ago. Following examination of the documents by the committee, would the government be prepared to reconsider the whole question and not finally determine, as apparently is now the case, that Pickering township will be chosen as the area for the airport? Second, would the minister make available the representations made by the hon. member for York North, Parliamentary Secretary to the Prime Minister, revealing in detail his opposition to the choice of this area for the airport and the sound and appropriate reasons that he gave in opposition thereto?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, on the first part of the right hon. gentleman's question, I think it would be premature for me to anticipate what the conclusions of the committee or of any other group would be. I might remind him that a very large number of people support this decision and it is conceivable and, indeed, likely, that hon. members and others will see that we have made a wise decision. Therefore I have no idea as to what will flow from the discussions. I might simply say in conclusion that, of course, much of the work was done on the basis of very strong representations from members on both sides of the House who, indeed, had been accusing me for a very long time of dragging my feet with regard to establishing a second airport for Toronto.

[Mr. Jamieson.]

Mr. Diefenbaker: Mr. Speaker, the minister, who has a fabulous memory, has forgotten the second question I asked. Would he say that there is as yet no finality in the determination of the location of this airport?

Mr. Jamieson: Mr. Speaker, the right hon. member is the living example showing that there is no finality to anything.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Apparently the minister is referring to longevity. I have already said on other occasions, when I received the award from the Jewish people, the Tree of Life, that I still have many years to go before I will have equalled Moses' record of 120 years.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Will the minister tell the House first, what were the representations of the hon. member for York North, potent and powerful as they were, against this area being chosen and, second, will the minister say whether the decision regarding the Pickering area is as yet tentative, that the matter has not been finally decided by the government and that the decision is subject to change?

Mr. Jamieson: Mr. Speaker, in so far as representations have been made, I think the hon. member for York North has been a most efficient spokesman for his constituents and he has also been very farsighted in the various proposals that he advanced. He advanced them prior to the decision that was made in this case. The hon. member for Ontario has done the same thing, as have other hon. members. On the second part of the question, I have no wish to hedge in answering the right hon. gentleman. All I am saying is that the decision of the government with regard to this site and our plans for it is, in my judgment, a good one. I want to make the fullest case for that, and I think I am perfectly justified in saying that I will leave my options open until there has been time for such reactions as come to me to be examined.

PICKERING TOWNSHIP SITE—REQUEST THAT MINISTER PRESENT REASONS JUSTIFYING NEED IN APPEARANCE BEFORE COMMITTEE

Mr. Andrew Brewin (Greenwood): I have a supplementary question, Mr. Speaker. Will the minister, when he appears before the committee, deal not only with the question of the location of the new international airport but present a summary of the reasons for any need for such a new international airport, which seems to be the primary consideration in this matter?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. Indeed, I think that is the No. 1 question which perhaps should precede any other examination, the question of need. For my own part, I am perfectly satisfied that this can be demonstrated without qualification, and I will undertake to do that.

Mr. Alexander: Mr. Speaker—

Mr. Speaker: Order, please. I will recognize the hon. member for Hamilton West on a last supplementary on

this subject, to which we might return later, and then recognize the hon. member for York South.

• (1120)

MOUNT HOPE, ONT.—POSITION OF EXPANSION COMMITMENT—OPPORTUNITY FOR REPRESENTATIONS BY INTERESTED GROUPS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a supplementary for the Minister of Transport in light of the answers to the questions just raised. Can the minister now assure the House and the people of Hamilton that the commitment of $25 million for the expansion of Mount Hope airport is in fact a definite commitment, or is it also something that is up in the air at the present time?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I think the hon. member's question illustrates the nature of the quandary. Of course it is a definite commitment and we are prepared to proceed with it immediately. But in an issue of this kind it can be seen from the line of questions directed my way this morning that there are differences of opinion on some of these matters, on the government side, indeed, and within the country as a whole. In so far as the expansion of Mount Hope airport is concerned, provided always that I can meet the requirements of the council and the various municipal authorities in that area, which I believe I can, I think it would proceed regardless of any other developments that might occur in the Toronto area.

Mr. Alexander: In light of the fact it is my understanding that there has not been any definite arrangement for the minister to meet not only the council but other concerned citizens groups who, rightly so, would have objections in some small part to the expansion, can the minister advise whether in fact a date has been set for a meeting with these groups so he can obtain their ideas regarding expansion?

Mr. Jamieson: Perhaps the hon. member will forgive me for not knowing the exact name—I am not certain whether it is the township of Hamilton or the council of Hamilton. In amy event, I have been in touch with them and have indicated my willingness to hold a meeting with them. The problem is that while it may be possible to expand airports it is impossible to expand time, and if I should not be in the House in the near future to answer hon. members' questions it will be because I am trying to meet all the requests for meetings that have come to me, all of which I am prepared to attend.

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INDUSTRY

POSSIBLE ORDERING OF TWIN OTTER PLANES FROM DE HAVILLAND AIRCRAFT COMPANY

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Can he give the House any information on whether or not the government is contemplating ordering 50 twin Otter aircraft from de Havilland in Toronto, whether any discussions are taking place or have taken place and what the situation is in this respect?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, discussion is indeed going on in the government on this matter of the situation at de Havilland in Toronto, centred on a research development project called DHC-7. This project would include some purchases of the type mentioned by my hon. friend. An announcement will be made rather soon on that subject, hopefully.

Mr. Lewis: Mr. Speaker, I am very glad to hear what the minister has said because this involves the jobs of a good many people in that area. May I ask the minister when he thinks he will be in a position to make an announcement concerning the aircraft he mentioned and other developments in relation to aircraft—technically I am not very knowledgeable in the field—as well as whether discussions are taking place regarding the manufacture and the production of more Buffalo airplanes at that plant?

Mr. Pepin: Mr. Speaker, I chose my words very carefully. I said "rather soon" which is sooner than soon.

[*Translation*]

FEDERAL CONTRIBUTION TO CONSTRUCTION OF DHC-7 PLANES—PROPOSED USE

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Minister of Transport.

Could he tell us in what way the government has contributed in the construction of a hundred or so DHC-7 aircraft, nearly half of which will be in service in Canada?

Will this fleet of 50 planes be added to those already in regular service for Air Canada, or will they be used by the Armed Forces?

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am afraid I would need to take that question as notice. I am not sure of the details and I will get an answer for the hon. member as soon as I can.

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FISHERIES

REPORTED BAN ON COMMERCIAL SALMON FISHING ON ATLANTIC COAST FOR TEN YEARS—REACTION OF DENMARK RESPECTING POSSIBLE INTERNATIONAL CONTROL TREATY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Acting Minister of Fisheries. Although members of parliament are conscious of the need for conservation measures, how does the government anticipate that a policy decision to ban commercial salmon fishing on the Atlantic coast for ten years will make Denmark or any other fishing country anymore amenable to an international treaty to control the fishing?

Hon. Mitchell Sharp (Acting Prime Minister): The question put by the hon. member is apparently based upon a

press report of an interview and it is inaccurate in several respects. The Minister of the Environment and Fisheries will be making a statement in the House, but I can reassure the hon. member on two points. The policy does not contemplate a complete ban, and it is not for ten years.

Mr. Fairweather: On a point of order, Mr. Speaker, the Minister of the Environment and Fisheries is on the roster to be here today. Whether or not the press report is accurate is, of course, for the government to say, but the press report was based on an announcement or interview outside the House which the minister must have known would raise serious questions.

Mr. Speaker: Order, please. The hon. member might like to ask his supplementary. I have the impression—is the hon. member rising on a point of order? I did not appreciate that. I thought he was seeking the floor for the purpose of a supplementary.

Mr. Fairweather: No, Mr. Speaker. It was a point of order arising from the absence of the Minister of the Environment and Fisheries. I suggest, with great respect, that the government can do a great deal better than this. It really means that the minister and the government are treating us with great contempt when a situation is allowed to arise which will seriously affect the livelihood of a great number of Canadians.

PROPOSED BAN ON COMMERCIAL SALMON FISHING ON ATLANTIC COAST—SUGGESTED DEFERMENT UNTIL CONSULTATIONS HELD WITH FISHERMEN AND PROVINCES

Mr. John Lundrigan (Gander-Twillingate): I should like to ask the Acting Prime Minister a very simple question involving the Atlantic salmon fishery. In view of the fact that almost every fisherman in the Atlantic area is involved in one way or another in the salmon fishery and that on the Newfoundland scene there is scarcely a fishing boat that is not involved in that fishery, and as the minister has proposed to buy all the boats engaged in the Atlantic salmon fishery, which would put an end to the fishery in that area, will the minister give an assurance to the House and to the fishermen of the Atlantic region that no steps will be taken, even in a prepared statement on motions, until there has been complete consultation with representatives of the fishermen, the fishermen themselves, and the provincial governments of that region to make sure that no steps will be taken, born out of ignorance—

Mr. Speaker: Order. I suggest to the hon. member that he is making a representation. Perhaps the first part of the hon. member's speech was a question and we might allow the minister to reply to that part of the hon. member's statement which was a question.

Hon. Mitchell Sharp (Acting Prime Minister): It is my understanding that the Minister of the Environment and Fisheries intends to consult with all interested parties.

Mr. Lundrigan: In view of the fact the directors of the federal Department of Fisheries are not even today in possession of copies of the last six fisheries treaties which were signed and are not even aware of them, can we have a guaranteed assurance that the Minister of Fisheries, who has made several very serious moves to hurt the Atlantic fishery—

Mr. Speaker: Order. This question is not in order. The hon. member is obviously making a speech and presenting an argument. In those terms the question cannot be acceptable.

Mr. Lundrigan: May I rephrase my question?

Mr. Speaker: That is highly irregular. The hon. member should know he cannot ask a question using that approach, making representations and accusations, and then request permission to rephrase the question. It should have been phrased correctly in the first instance. However, having said this, I will allow the hon. member to rephrase the question.

Mr. Lundrigan: I will rephrase my question, though I should like to debate some of the points which have been raised in the last few minutes. Will the minister assure members from the Atlantic region and all our people that no moves will be made until there has been thorough consultation?

Mr. Sharp: As I have said, the Minister of the Environment and Fisheries consults with all interested parties in all these respects. Therefore I do not accept the presumption that he does not. He will consult with all the interested parties, and I am sure his policies will continue to be as popular and as desirable as they are now.

Mr. Speaker: Order. There is an element of argument and debate, both in the answer and in the question, that is irregular in both instances.

CONSULTATION WITH UNITED STATES FOLLOWING AGREEMENT BETWEEN THAT COUNTRY AND DENMARK TO CURTAIL SALMON FISHING OFF GREENLAND

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Acting Prime Minister in his capacity as Secretary of State for External Affairs. On February 22 of this year the United States Department of State announced that an agreement had been reached between the United States and Denmark to curtail salmon fishing off west Greenland. Has the minister consulted with his United States counterpart concerning the U.S.-Danish agreement, and has he recently made any attempt to secure a similar agreement with Norway as well as Denmark?

• (1130)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there has been consultation with the United States government, particularly by my colleague the Minister of the Environment and Fisheries. We are now engaged in what we hope will be successful efforts to persuade the Danish government that the harvesting of fish like salmon, which spawn in coastal states, should be the responsibility and the right of the coastal states.

POSSIBLE ACTION TO BAN IMPORT OF FISH FROM COUNTRIES REFUSING TO ADOPT CONSERVATION MEASURES

Mr. Lloyd R. Crouse (South Shore): The United States Congress has recently passed legislation enabling that country to impose a prohibition against the importation of fish and fish products from any nation that refuses to accept and to carry out fisheries conservation measures as approved by ICNAF, the International Commission for the North Atlantic Fisheries. Is this government considering taking similar action in the event that agreement cannot be reached with these two nations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, our experience in these matters is that these kinds of measures are not particularly successful and that it is better to reach agreement by negotiation, not by blackmail.

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker.

Mr. Speaker: Order. There are a number of members, the hon. member for Humber-St. George's-St. Barbe, the hon. member for St. John's West and others, seeking to ask supplementaries. The Chair will recognize the Leader of the Opposition for his supplementary, then recognize the hon. member for Nanaimo-Cowichan-The Islands, and return immediately afterwards to other hon. members who have supplementaries.

Mr. Stanfield: Mr. Speaker, my supplementary is to the Acting Prime Minister. When can we expect the statement from the Minister of the Environment and Fisheries? Will it be soon, or very soon, and how long is soon?

Mr. Sharp: Mr. Speaker, if I may define these terms, "soon" means next week.

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POLLUTION

THREAT TO WEST COAST FROM PROPOSED TAPS TANKER ROUTE—FORMAL PROPOSAL TO UNITED STATES FOR REFERENCE TO INTERNATIONAL JOINT COMMISSION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I address a question to the Secretary of State for External Affairs arising out of an answer the Prime Minister gave on April 17, reported at page 1348 of *Hansard*, in which he said that the Secretary of State for External Affairs had expressed to Secretary of State Rogers of the United States the advisability of referring the matter of oil tankers coming down the Pacific coast from Alaska to the International Joint Commission. Has the minister made any formal proposal to the government of the United States for such a joint reference to the International Joint Commission regarding the shipment of oil from Valdez to Cherry Point down the Pacific coast?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the Prime Minister has already said, I did raise the question with Secretary Rogers who said he would take the matter into consideration. Until I have a reply I do not think it would be advisable for me to make formal representations because, as the hon. member knows, references must be joint references and therefore we should get the prior agreement of the United States.

Mr. Douglas: Can the minister assure the House that any reference to the International Joint Commission on this question, unlike the reference on the Skagit Valley, will not deal merely with how to militate against the worst effects of possible oil spills but will deal with whether or not, on the basis of all available information, the trans-Alaska pipeline project should be proceeded with at all?

Mr. Sharp: Mr. Speaker, I very much doubt the wisdom of extending the reference in that way. The Canadian government would, of course, have no objection if oil from the trans-Alaska pipeline were to be carried from Alaska to California without coming into the narrow waters of the Strait of Juan de Fuca and Georgia Strait and ships, for example, were to move 300 miles offshore. It would not be a proper subject for the International Joint Commission to consider.

Mr. Douglas: In view of the fact that a refinery has been built at Cherry Point and therefore ships will have to go through the Strait of Juan de Fuca, may I ask the minister what terms of reference the Canadian government has in mind in the event that the United States government is agreeable to a joint reference to the International Joint Commission?

Mr. Sharp: Mr. Speaker, I do not accept the assumption contained in the question. I do not think ships would have to go into Cherry Point. That refinery could be served from the interior.

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FISHERIES

ATLANTIC SALMON—POSSIBILITY OF BAN ON FISHING DURING FORTHCOMING SEASON

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Acting Prime Minister that is supplementary to questions asked previously by other members. Is it the government's intention to impose a ban during the forthcoming salmon season? I ask the question because there is a lot of confusion and the salmon fishing season will open shortly.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am sorry, I did not quite catch the question. Could it be repeated?

Mr. Carter: Will the proposed ban announced by the Minister of Fisheries take effect this year?

Mr. Sharp: Mr. Speaker, I think the House should await the statement of the Minister of the Environment and Fisheries which will deal with all these matters.

Inquiries of the Ministry

ATLANTIC SALMON—PROPOSALS TO DENMARK RESPECTING CONSERVATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. In view of the fact that Denmark is the worst offender in reducing salmon stocks on the high seas, can the minister indicate what specific proposals the government has made to Denmark and what their answers were?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in our view a system that would meet the criteria both of conservation and of equity would require the delegation to coastal states of the sole right to harvest the salmon bred in their own rivers.

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NATIONAL DEFENCE

POSSIBLE CHANGE IN ACT TO MAKE CADET CORPS CO-EDUCATIONAL

Mr. Kenneth Robinson (Toronto-Lakeshore): Mr. Speaker, I have a question for the Minister of National Defence. In view of the interest by females in the cadet movement in Canada, and in view of the women's liberation discrimination movement, will the minister consider changes in the National Defence Act to make the sea, army and air cadets co-educational?

Hon. E. J. Benson (Minister of National Defence): I should like to say, Mr. Speaker, that I am in favour of co-education. We have had representations from the army cadets and we will be hearing from the naval and air cadet associations. If there is unanimous agreement among all three I would be glad at some future date to propose a change to the National Defence Act.

PURCHASE OF SCORPION ARMOURED FIGHTING VEHICLES

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I should like to address a question to the Minister of National Defence. Has the government decided to purchase Scorpion armoured fighting vehicles for the use of the Canadian forces? If so, how many of these vehicles are to be secured?

Hon. E. J. Benson (Minister of National Defence): First of all, Mr. Speaker, this is the vehicle which is favoured by the armed forces. A contract has not yet been negotiated. We are dealing with the manufacturers and I would not like to indicate quantities or amounts until such contract is negotiated, if the negotiations are successful.

Mr. Harkness: Would the minister tell the House what units are to be supplied with these armoured fighting vehicles? Will it be merely forces overseas or also armoured units in Canada?

Mr. Benson: Mr. Speaker, without getting too close to saying exactly how many, it would be both.

[Mr. Sharp.]

POSSIBLE INCREASE IN NUMBER OF ARMED FORCES PERSONNEL

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a supplementary question for the Minister of National Defence. In view of the fact General Sharp recently commented that the 82,000 figure for the Canadian forces might be too low, would the minister indicate to the House whether he has any intention of increasing the number of personnel in the Canadian armed forces?

Hon. E. J. Benson (Minister of National Defence): Not at this time, Mr. Speaker.

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HARBOURS

SMALL CRAFT FACILITIES—REQUEST FOR STATEMENT ON FUTURE ADMINISTRATION AND STEPS TO COPE WITH POLLUTION ON DOCKS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport. Would the minister agree to make a statement to the House on motions clarifying the various rumours floating around about the future of the administration of small vessel harbours? Would he also clarify in such statement what is going to be done to cope with the pollution crisis on docks which has been created as a result of the proclamation of regulations forbidding the dumping of garbage at sea?

• (1140)

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I will consider both of these matters. The first one is probably easier to deal with in the form of a statement on motions or otherwise. The other question might be better dealt with in committee where officials who are concerned with these matters could be present to give the necessary details.

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POWER

JAMES BAY HYDROELECTRIC PROJECT—POSSIBLE ANNOUNCEMENT OF GOVERNMENT POSITION FOLLOWING PRELIMINARY CONCLUSIONS ON ENVIRONMENTAL FACTORS

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I had a question for the Prime Minister regarding the James Bay hydroelectric project but in his absence perhaps I might direct it to the Minister of Transport. In view of evidence given to the parliamentary committee on national resources that preliminary conclusions have been reached on environmental factors, will the government shortly be in a position to announce its stand on the whole James Bay project? I ask the minister this question in his capacity as the minister responsible for the Navigable Waters Protection Act.

Hon. Donald C. Jamieson (Minister of Transport): With respect, Mr. Speaker, I think that is a rather tenuous peg on which to hang that kind of question to me. Nevertheless, I would have to take the question as notice. I think I

have answered all the questions that have been asked in respect of the Navigable Waters Protection Act, but we will try to find out something more for the hon. member.

Mr. Aiken: Mr. Speaker, I intended to ask the question of the Minister of the Environment or, in his absence, the Prime Minister, and in looking at the front benches I could not see anybody else who might possibly answer the question.

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HARBOURS

PROPOSED ESTABLISHMENT OF FREE PORT IN ATLANTIC REGION

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Transport. In view of recent speculation about a free port policy, can he say, in so far as he has responsibility in this matter, whether it is under consideration, and would he be prepared to receive briefs from organizations such as the Canadian Importers Association on the need for a free port in Atlantic Canada?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I would be more than pleased to receive such a brief as well as briefs from anyone else. This matter is not merely under consideration; but is a matter of discussion with, I think I can now say, at least two of the four Atlantic province premiers. Any representations I receive will be looked at very sympathetically. It sounds like a pretty good idea.

Mr. Bell: Will the minister give every assurance that all ports are starting off on equal terms in respect of such a policy and that the port of Saint John particularly will be ahead of all others?

Mr. Speaker: Order, please. That appears to be a representation.

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SPORTS

PLANS FOR HONOURING RICHMOND HILL DYNES, WORLD CHAMPIONSHIP SOFTBALL TEAM

Mr. Barnett J. Danson (York North): Mr. Speaker, my question is directed to the Acting Prime Minister. I should like to ask him what plans the government has to honour the Richmond Hill Dynes, world championship softball team, which won the world championship title for Canada recently in Manilla and whose members are in the gallery at the present time with Mayor Lazenby of that great city?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I should like to assure the hon. member that the government recognizes the great honour this team has done Canada and intends to entertain them this evening and make a presentation which they so richly deserve.

EXTERNAL AFFAIRS

PROPOSED NUCLEAR TESTS BY FRANCE—CANADIAN REPRESENTATIONS

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question for the Acting Prime Minister in his capacity as Secretary of State for External Affairs. Can he say whether a reply has been received from the French government in regard to Canada's representations about the planned nuclear tests by France in the Pacific and, if so, what is the nature of the reply?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in answer to a question the other day on this subject I said we had not yet made representations because the French government has not yet indicated when it intends to make this test. I do not think it would be appropriate for us to protest or make representations until we know for sure they are going to go ahead with the test. As soon as we know the date we will be making our representations and I will inform the hon. gentleman of the response, if any.

Mr. Mather: Mr. Speaker, would it not be better if we made the protest before rather than after?

Mr. Speaker: Order, please. I suggest that question is a submission.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my supplementary question, directed to the Secretary of State for External Affairs, is on the same point. Will he check with Australia and New Zealand to find out what prompted them to make their protests already and perhaps ascertain when we should make ours?

Mr. Sharp: Mr. Speaker, we shall be making our representations, but our experience is that if you make them too soon you have to repeat them when the date is fixed and in that way you weaken the credibility of our representations.

NUCLEAR TESTS—SUGGESTED REPRESENTATIONS TO UNITED NATIONS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he will place this problem of nuclear testing before the United Nations? Will he indicate to the Canadian delegation that they approach the United Nations about this particular test and urge that all nuclear testing by every country in the world be stopped?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, this has been the position of the Canadian government over a period of years. I regret to say our representations have not been accepted, but Canada is the leading advocate in the world of the ending of all nuclear testing whether in the atmosphere or underground.

Inquiries of the Ministry

AGRICULTURE

FROST DAMAGE TO ONTARIO FRUIT—REPLY TO REQUEST FOR ASSISTANCE

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to ask the Minister of Agriculture whether he has replied to the request by the tender fruit industry of Canada, specifically Ontario, in respect of the frost damage done to their crops, and will he give some indication of what this reply might be?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have not replied in respect of any assistance because, quite obviously, the people who have expertise in these matters from having observed such situations in the past admit they cannot assess the crop loss at this point in time. Obviously there has been some damage to the blossoms and buds, but the level of damage done to the volume of production is unknown at this point.

DATE OF OPENING OF LIVESTOCK QUARANTINE STATION AT EDMONTON INTERNATIONAL AIRPORT—PROCESSING OF CATTLE IMPORT APPLICATIONS

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, my question is also for the Minister of Agriculture but relates to a different subject. Has the government now been given a definite date for the opening of the incoming quarantine station at Edmonton International Airport and, if so, have the applications now been processed and granted for the importation of cattle from Australia and Tasmania?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have a tentative date from the Department of Public Works, which is building the station, as to when it will be ready to receive these animals. We are now in the process of reviewing the applications that have come in with a view to allocating permits to some of the applicants. Obviously there is not room for all of them in view of the number of animals that would be coming in. I do not believe we have reached the stage where we are ready to set a positive date on which the applications will be approved.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

JAMES BAY HYDROELECTRIC PROJECT—DISCUSSION WITH QUEBEC OF FEDERAL COLLABORATION

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion.

In connection with the James Bay project, I should like to be advised whether the government has received any formal request from the Quebec government to co-operate in this project, and whether there have been any negotiations between himself, his officials, and the Quebec officials responsible for the James Bay project?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I am not aware of the existence of any formal application; I know, however, that there have been consultations with some departments, including mine.

* * *

[*English*]

SPORTS

HOCKEY—PROPOSED CANADA-RUSSIA GAMES—REPRESENTATIONS TO NATIONAL HOCKEY LEAGUE RESPECTING USE OF PLAYERS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in the absence of the Minister of National Health and Welfare perhaps I might direct this question to the Acting Prime Minister. Since there is considerable interest across the land in the proposed series between NHL players and a Russian team, and in view of the fact there is some evidence that certain United States based teams are reluctant to allow their Canadian players to participate, is the government considering making representations to the NHL headquarters in Montreal, expressing official Canadian support for this series?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not know whether it will be necessary to make any such representations, but I can assure the hon. member that the Canadian government is very much in favour of games between the Russians and the Canadians to see who really is the best in the world.

* * *

REGIONAL ECONOMIC EXPANSION

DESIGNATED AREAS—EXTENSION BEYOND JUNE 30, 1972

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, I should like to direct my question to the Minister of Regional Economic Expansion. In view of the fact that the special designation of areas, such as Renfrew County, by the Department of Regional Economic Expansion is to expire as of June 30, 1972, and in view of the great importance of this program, will the minister advise the House when he will be in a position to announce whether or not an extension of these designations is to be granted?

Hon. Jean Marchand (Minister of Regional Economic Expansion): As I said yesterday, Mr. Speaker, we are in consultation with the provinces on this matter. As soon as we have completed these consultations I will announce the new designations. The word "soon" as I have used it is not the same as the word "soon" as used by another minister.

AGRICULTURE

PROPOSED HOG PRODUCTION AND PROCESSING COMPLEX IN SOUTHERN ALBERTA—ASSESSMENT OF IMPACT ON OTHER PRODUCERS—APPLICATION FOR INCENTIVE GRANT

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. It arises from the proposed establishment of a huge hog production and processing complex in southern Alberta by North American Integrated Food Processing Limited. Have the minister and his officials had an opportunity of assessing the impact such an operation will have on other established production and processsing enterprises in other parts of Alberta and elsewhere in Canada?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am not sure it would be appropriate for the Department of Agriculture or in fact any branch of the federal government to make that assessment except that the promoter of this plan has indicated it is dependent on whether or not a regional economic expansion grant is given. When an application comes forward in that regard, a thorough examination will certainly be made on that basis.

• (1150)

Mr. Mazankowski: Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion. Since the location of this plant will be in a designated region in southern Alberta, can the minister advise the House whether an application for an incentive grant for this facility has been received by his department?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I will take this question as notice and give an answer next week, Mr. Speaker.

Mr. Speaker: Order, please. We have just about reached the end of the question period. I hope that some of the questions hon. members have may wait until Monday, although hon. members might allow the Chair to recognize the hon. member for Assiniboia who has been trying to ask a question for the past few days.

* * *

TRANSPORT

LEASING OF UNITED STATES BOXCARS TO MOVE GRAIN—PURCHASE OF ADDITIONAL HOPPER CARS BY RAILWAYS

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Transport. In view of his announcement this week of the leasing of cars from the United States to move lumber products in northern British Columbia, can the minister inform the House whether any action has been taken to lease United States boxcars for grain handling?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, on the Thursday before Easter, about two or three weeks ago, I had a lengthy meeting with Mr. MacMillan, chairman of the board and president of CNR. At

that time he advised me that a considerable number of both cars and locomotives had in fact been leased and were either in Canada or en route to Canada. I can get the actual totals for the hon. member within a day or two. This morning I sought to reach the president of the CPR but was unable to do so because he is in Calgary. I hope to meet him next week and one of the topics we will be discussing will be this matter.

Mr. Knight: In view of the announcement by the CNR of a $4 million order for the building of flatcars by a firm in Montreal, can the minister inform me whether there has been any move by the railways to have more hopper cars built for the carrying of western grain?

Mr. Jamieson: My recollection is that my colleague, the Minister of Justice, referred to this matter yesterday or some time during the past few days. This whole question of the construction of additional hopper cars is now very much under active consideration, and the meeting with the head of the CNR to which I referred dealt with that subject as well.

Mr. Burton: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member seeks to ask a supplementary question but we have gone three or four minutes beyond the question period. There are other hon. members who are seeking an opportunity to ask questions and they have been asked to wait until Monday. We will have to do the same thing with the hon. member for Regina East.

GOVERNMENT ORDERS

CANADIAN NATIONAL RAILWAYS AND AIR CANADA

PROVISION FOR CAPITAL EXPENDITURES AND GUARANTEEING OF SECURITIES AND DEBENTURES

The House resumed, from Tuesday, March 14, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-4, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system and Air Canada for the period from January 1, 1971 to June 30, 1972, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railways Company, and certain debentures to be issued by Air Canada, be read the second time and referred to the Standing Committee on Transport and Communications, and the amendment (Mr. Thomson) p. 823.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I take this opportunity to complete the remarks which I started on a previous occasion when this bill was before the House. I would like to set forth some of the considerations and concerns that exist, certainly in my constituency and in the prairie region, regarding railroad conditions, particularly in relation to the CNR. As I started to say the other evening, there is considerable concern among the men who work on the railroads about safety factors, such

as the condition of the roadbed over which they have to handle trains, often at the risk of their own safety. All of us, no matter what our occupation in life, take a certain amount of risk, but it has become accepted practice in modern times that the risk in all gainful occupations should be minimized. Even in self-employed occupations such as farming, we find the safety councils of the provinces advising farmers to take certain precautions to avoid being injured.

Concern is even expressed about the use of safety belts in privately owned and operated automobiles, as well as about the manner in which the automobile is operated. Concern is expressed about the number of deaths on our highways. In industrial occupations, there is even greater concern regarding the safety of the employees who operate the machines which keep our industrial society going. I have received letters from the brotherhood, and from the workers in my constituency, in which they complain rather bitterly about the conditions to which they are subjected when they work on branch line trains in Saskatchewan. I have put those complaints before the Committee on Transport, as well as before the Transport Commission, and have documented them. It surprised me a little when, with regard to certain derailments on some of the branch lines, the charge was made that the trains were travelling above the speed limit which had been imposed on those tracks. I asked where the report was of the official investigation which had been made which indicated that was the case. If you are going to lay the cause of a derailment or any type of train accident at the door of some individual or group of individuals, the proof should be obtained before the charge is made. I have not seen it yet.

• (1200)

I have here a report from the Railway Transport Committee of the Canadian Transport Commission, dealing with its investigation into three specific accidents. Among the duties imposed upon the Railway Transport Committee by the Railway Act and the National Transportation Act is the obligation of ensuring that all railway operations in Canada are carried out in maximum safety. According to the information which I have, Mr. Speaker, I do not think this obligation is being carried out. Indeed, I have here a statement made by the railway, as the result of an investigation carried out by an investigator of the Railway Transport Committee, in which it is admitted that the railbed is in poor and unsatisfactory condition.

In addition, I have here a statement made by the local Chairman of the Brotherhood of Enginemen in Biggar in which he states that, in his opinion, three railway subdivisions running out of that town are in such poor condition that safe train operation can not be carried out, and that their condition is a hazard to employees. This is a very serious charge.

Again, quoting from a letter signed by C. W. Rump, Secretary of the Railway Transport Committee, referring to these same divisions, I read:

> Our District Engineer's report indicates that there is no doubt that the three subdivisions are not being maintained to a very high standard due to the possibility of abandonment; however, if speed restrictions are adhered to, and the length of trains on the Dodsland Subdivision limited, no abnormal hazard to train operation would exist.

I question the second part of that sentence in view of the first part which indicates that the three subdivisons are not being maintained to a very high standard. The letter went on to say:

> The present level of maintenance work being done on the subdivisions, is not, in our engineer's opinion, sufficient to maintain present conditions; however, as track conditions continue to deteriorate, the railways should further reduce speeds.

Further on in the letter, he said that it had been pointed out to the representative of the railroad that in some cases trains had exceeded authorized speeds.

The point I wish to make again is that to my knowledge no in-depth investigation has been carried out which would entitle anyone to lay the blame at the door of those people who operate the trains. I think there should be an in-depth investigation. I do not think workmen should be required to operate trains under conditions and in circumstances that we know endanger their safety.

As I said when I started to speak, Mr. Speaker, there are times when all of us carry out undertakings that are hazardous, such as getting in a car and driving out of Ottawa on a winter's day when the roads are icy. We know the roads are icy and hazardous, but we choose to run the risk. But I question very much whether as a society we have a right to ask a crew of men to take out a train, which has a thrust of thousands of tons, under conditions which are known to be hazardous, which the Transport Committee knows are hazardous, and which the railroad, which is owned by the people of this country, is aware are hazardous. I do not see how we can justify that. These are matters that must be given consideration.

As well as that, there is the problem of moving goods over those branch lines. But even this is secondary to the safety of the men who operate the trains. To put it brutally, Mr. Speaker, if a man is injured the cost is too much. And, as shown in this report of the inquiry into three accidents in which one man was killed, we run the risk of killing men. When a man is killed, he is a long time dead. It is a pretty final act. So, I say that the ability to move goods surely must be secondary to the safety of the individuals who are responsible for operating the trains.

When it comes to the question of moving our wheat whether by the CNR or CPR, and in this case we are dealing with the CNR, we must look at the total movement from that little branch line on the Dodsland subdivision right through to Thunder Bay, or Vancouver or Prince Rupert.

Some hon. Members: Hear, hear!

Mr. Gleave: When I mention the names of these places there is an immediate reaction. You know, Mr. Speaker, the humour of my colleagues sometimes kills me. I don't know if it does anything for the government, but as Wellington said of his soldiers, "I don't know what they do to the enemy but they sure scare hell out of me."

• (1210)

Mr. Drury: With justification.

Mr. Gleave: I think it is very kind of my friends to enliven proceedings. I am probably making a very dull speech; I would not be surprised if that were the case.

We have to look at the total picture of what is involved, Mr. Speaker. I think that the CNR and the government are suffering from an attitude toward rail transportation that had its origins in the MacPherson commission. The report of that commission was essentially negative. It recommended a cutback in rail transportation suggesting that the railroads be given an amount of money while phasing out parts of their operation in order to rationalize the whole system. Since then, we have been rationalizing so effectively that the safety of the men who work on the railroads is in jeopardy. We have rationalized to the extent that we cannot move a crop of grain from the prairies to the tidewater where ships are waiting. We have rationalized so well that Ontario complains it cannot get lumber from British Columbia and we have rationalized so well that the people of Newfoundland claim their transportation system is chaotic. That has been the effect of rationalization in the past, and now there is a proposal before us for more money so that the system can be rationalized even more. I think the government has a nerve to ask this House for more money without presenting a plan to develop a transportation system which will serve the country.

In reply to a question asked from this side of the House today, the Minister of Transport (Mr. Jamieson) said that he had met with the representatives of the CNR and they were going to provide some more cars and locomotives. I believe they were to be leased from the United States. He said that he was also to meet with the CPR and that he hoped they were going to do the same thing. Mr. Speaker, when the Minister of Transport or the government has to approach our railway companies periodically to ask them if they are going to provide enough equipment to do a job, it indicates how badly our transportation system is organized. Time is lost when it is necessary for the minister or the grain companies or the Canadian Wheat Board to go to the CPR and CNR in order to get action. In the meantime 21 or 22 ships are sitting in English Bay waiting to load and the opportunity for effective action is lost.

What we need without further delay, Mr. Speaker, is an effective program for communication and transportation. A study of grain transportation and handling has been submitted to the Minister in charge of the Wheat Board, but apparently he is afraid to make it public. I suspect it says that if some more branch lines and grain elevators on the prairies were knocked out that would effectively assist in the further deterioration of the facilities and so the whole thing would work better! I suspect there was no consideration at all given to the whole package, and that it will be a long time before this study will see the light of day. This matter requires consideration and the government and the ministers involved should look at the total picture instead of picking out pieces here and there to be patched up when they can no longer be ignored.

When the estimates were before the Standing Committee on Agriculture I asked what research had been done into the facilities for the transportation of grain. The answer was, none. I feel that we could usefully examine in depth the type of carriers and so on that are available. There should be an objective study of the needs of the country, and how rail transportation fits in with highway transportation. Storage and handling facilities should also be examined. For example, how can we get a balanced handling at Prince Rupert in relation to the rail and port facilities and the storage available. The same question arises at Churchill. The question of the movement and storage of grain in relation to ice conditions and getting it out to the Atlantic coast should also be examined. In that way we shall obtain a total package, total understanding and real co-operation.

• (1220)

The people who actually operate these trains will have confidence in this system, as will those who use this service, whether they are farmers or lumbermen, to move their products to market. They will be confident that the job will be well done and that the resources of Canada will be available for getting that job done. That is the kind of approach we need. If we adopt that kind of approach, we will have a far better transport system. We will probably need to spend money and put people to work, if the system is to be improved. Yet, why not do that, Mr. Speaker? Would it not be better to put people to work in the areas where they are needed than tolerate a 6 per cent unemployment level and not do those jobs which need to be done? I urge the government to give consideration to an over-all approach to this problem and to say to the CNR, as well as the CPR, "Bring forward a program which will meet the needs of Canadians in Canada." On the day that is done, we shall be able to act effectively in the area of transportation.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I do not imagine anybody pays too much attention to what is said about Bill C-4. However, under our parliamentary system I can still reserve the right to try to make an impression by directing attention to problems that are evident in my part of Canada. I am talking about problems that should be the concern of the government which has a responsibility to provide rail, air and water transportation and associated services, including telecommunications services. I have looked through *Hansard* to see what has been said about this bill. In my perusal, it has become evident to me that no one, as yet, has mentioned the recommendation accompanying this bill. I therefore feel that it might be worth while mentioning what is contained in the recommendation.

It is recommended by the Governor General to the House of Commons that authorization be given to the CNR to make capital expenditures including investment securities of affiliated companies, in the calendar year 1971, not exceeding $220 million; to make capital expenditures in the first six months of 1972 of some $83 million for discharging obligations incurred prior to January 1, 1972; to further enter into contracts prior to July, 1972, for equipment, additions and conversions requiring payments not exceeding $162 million. It is further recommended that authorization be given to borrow an amount not exceeding $27 million for the construction of branch lines—this is a joke; to make loans and guarantee issues of securities of Air Canada in the amount of $114 million, and even to guarantee debentures in English currency. Without going into too many details, let me say we are

even extending the limits to the magic figure of $1 billion, which probably puts this agency into a special category so far as government expenditures are concerned.

However, the most important part of the recommendation is the part which recommends that this parliament give carte blanche authority for meeting deficiencies in operating revenue, regardless of cost. This is where the hypocrisy lies in all the operations of the Canadian National Railways company. This parliament is expected to give that company permission to write its own cheques up to the sum of $1 billion and we, as protectors of the public money, have no control over that spending. Not only are we to give the company unlimited amounts of money, but this government does not seem to have any control over how the company operates. I wonder if anyone has ever looked carefully at the CN annual report and seen the two pages listing the executives of CNR. On page 30, anyone who wants to look will see listed no less than 30 vice-presidents and assistant vice-presidents as well as another 50 general managers, directors and executive assistants. Mr. Speaker, do you know that all I have ever heard from any of them in my limited dealings with them have been tales of woe as to which railway line they were going to close down or how many employees they were going to lay off or how many stations they would have to close.

I do not know why we complain about the poor Prime Minister (Mr. Trudeau) and all the staff he is gathering around him to try to run the country. I think that all he is trying to do is keep up with the CNR. I have not bothered looking at the executive staff of Air Canada. Frankly, I would hate to look, because I am sure that company must be equally overloaded with executive staff who are quickly learning the way to downgrade service, because they cannot manage a business which has a clearcut monopoly.

Some hon. Members: Hear, hear!

Mr. Marshall: At any rate, I hope they do not mechanize their executive staff, because we could expect a big run on manpower offices and we would experience a bigger unemployment crisis than we have now.

Many of my colleagues have expressed themselves quite forcibly on the continuing trend towards the closing down of railway lines which started back in 1968 in Newfoundland. This operation ought to go down in history as the most calculated railroading job that Canada will ever experience. These rail line abandonments have to be about the most ridiculous piece of action you will ever see since, for no reason that sane people can think of, the supposedly responsible authorities stripped my province of the fundamental, basic mode of transport which any country or province must have if it is to build an economy. Without regard for the people who were served by the Newfoundland passenger service and who continue to experience the discomfort and danger inherent in the new method of transportation, these supposedly responsible Canadians, saddled with the responsibility of acting in the best interests of the people, pulled off an act that ought to bother their consciences for the rest of their lives.

I am sure all hon. members will recall the plea that my Newfoundland colleagues made in this House in 1968 when we were stripped of our main transportation service. Hon. members criticised us for making our plea and for continuing to make it. What do they think now, those people who are now losing their rail passenger services in the same way as we lost ours? What do those people now think, when the web is closing in on every province of Canada? What did we get in Newfoundland in place of that rail service, Mr. Speaker? We got a bus service. Yes, we got a bus service that was introduced on the basis of a designed strategy and it was introduced before anyone realized the implications of this strategy. The bus service was established without the least bit of consideration of human needs and with no appreciation of the purpose it would serve. That is how the service was established in the province. The service does not suit the climatic conditions of the province and does not fill the needs of the people it was supposed to serve.

Notwithstanding all the expertise that the CN people professed to have, and I mentioned this earlier, it became obvious they did not have a clue as to how to run a bus system, because they started the service without even a basic shelter or station for passengers awaiting the arrival of a bus on the Trans-Canada Highway. People have so stand on the highway in the middle of winter waiting for a bus which is often hours late. There was absolutely no provision for the carrying of invalids who have to travel hundreds of miles sitting up in the bus, or for the carrying of stretcher cases. There was no provision for passengers who had to stand for miles with children in their arms because they could not reserve space in advance or because they lost their seats at station stops when they got off for a bite to eat. Mr. Speaker, there was no planning whatsoever; and then the CNR bragged about their cheap prices and oversold tickets. Now, the company is applying to the appropriate provincial agency for a 30 per cent increase in bus fares. Let me tell you that some passengers had to hire taxis to follow the bus. There have been cases where people had to get to the hospital, and they hired a taxi to follow a bus in the hope that a passenger would get off at a stop and make a seat available.

Let me tell you about one of the communities served by this Canadian dream bus system in my district of Newfoundland. There is at the community of Howley, which is some 30 miles from Deer Lake, a station stop for buses. Anyone travelling from Grand Falls to Howley has to go 30 miles beyond Howley to Deer Lake because the bus will not stop at the junction, and then hire a taxi to travel that same 30 miles back home. That is the system presently set up. About three years ago when the president of CNR appeared before a committee, I asked him if the company had had any experience with providing bus services. He said they had not had such experience. I then asked why the company had not approached a bus company like Greyhound, or some similar company, for advice on how to set up a bus service. Now, after an interval of four years, CNR is going to Greyhound and asking that company to tell them what is wrong with the bus service presently provided in Newfoundland.

• (1230)

This is the system they set up. These expert executives are listed in the CN report as corporate planners, as vice-presidents of express and highway services, as marketing specialists, as experts in passenger sales and ser-

vice and as experts in research and development. These are the people who planned and provided this bus system which should be the laughing stock of Canada. I could tell you about the people living in small communities which are away from the main highway. These people have to hire taxis to get to the bus because the CNR does not provide a feeder service. This same company, the CNR, keeps feeding monthly figures through the press about all the passengers they carry and the increase in the passenger load. What else can one expect when there is no other way to travel. They give a service alright, so long as people live on the trans-Canada highway.

Let me tell you what else they are doing in Newfoundland for the Canadian dream. For years, private individuals have provided a bus service under provincial licence by the Board of Commissioners of Public Utilities, an arm of the provincial government. This commission is almost a part of the Jessie James bargain, imposed when the agreement was made to eliminate the rail passenger service. These private bus companies provided a service under the worst road conditions before the advent of the trans-Canada highway. They eked out a bare living. Now, what has happened? As soon as the CN was ready, it obliterated the small businessmen. It will continue to do so as road conditions improve. It will not serve communities which are not on paved highways. However, as soon as the roads leading to these communities are paved, the CN will move in and put the small operator out of business. We talk about unfair competition under the Competition Act. I hope the Minister of Consumer and Corporate Affairs (Mr. Andras) will look into this matter. Every small bus operator will be out of business in the next few years as the octopus CNR closes its tentacles around the rest of the province. We in Newfoundland demand the return of our railway service because it is vital to our economy. We demand the return of the railway system because its continuance was guaranteed under the terms of confederation. There is no reason this cannot be done, because all that is required is improvement of the rails, the cutting out of some of the curves, which should have been done in years past.

Although I doubt it, I hope that someone will listen and this will come about. We demand a rail passenger service because of the repeated promises by this government that every Canadian will be accorded equality of opportunity, regardless of where he lives. We demand it because of the stated objective of the Canadian Transport Commission just last year, the development of a basic transcontinental passenger service which will justify whatever cost there may be to the federal treasury and which will satisfy the needs of the travelling public. This has to be done for all Canadians from coast to coast. If the commission cannot fulfil this promise they should resign, and the government should resort to its usual procrastinating task force concept to find out why the rail service is not being provided. It may not be too long before they will no longer have any control over it. Probably, however, I am being a little too insular in my attitude towards the Canadian transportation scene as a whole. We have all become aware that the automobile is one of the major sources of pollution, as is the supersonic transport in the skies.

CNR and Air Canada

Let us look for a moment at a booklet issued by The United Transportation Union. Under the heading "Does Government Care?" we find this:

> But the question remains: Who's going to save the passenger train in Canada? Certainly not the railways. They continue the systematic process of dismantling their passenger services, with the blessing of the federal government and its agency, the CTC.
>
> It is ironic to recall that the CPR once promised that it would "forever efficiently maintain, work and run the Canadian Pacific Railway," in exchange for vast grants of land and cash and generous tax concessions from its friends in government.

Further down on the same page there is this:

> If the government were seriously concerned with the kind of transportation services Canadians are getting, it would force the CPR to change its priorities.

Then another part of the booklet reads:

> The history of the CNR is evidence enough that nationalization alone is no guarantee of good service. At any rate, the government seems to have no objection at all to the CPR's priorities, and neither does the Canadian Transport Commission, which under the National Transportation Act administers transportation policy.
>
> The Act is largely responsible for the uncertain future of passenger service in this country. Its passage was Jack Pickersgill's crowning achievement as transport minister, and it seems to be deliberately designed to encourage the railways to get rid of their passenger trains. If a railway wishes to abandon a service, it must first prove that it is losing money on it to the satisfaction of the CTC. Then the Commission, after considering "all matters that in its opinion are relevant to the public interest," rules on whether the railway can go ahead with the abandonment. If it says no, the railway must keep it going and the government will subsidize its losses on the service to the extent of 80 per cent.

This provision came into effect just after the rail passenger service in Newfoundland was eliminated. Nobody told the CN they could continue the service and apply for the 80 per cent subsidy. They cut out the service on the assumption that it was costing $900,000 a year. This is ridiculous.

Moving on for a moment to other responsibilities of the CNR, I wish to bring into question again, as I have on other occasions, the ferry service between the Island of Newfoundland and Labrador. St. Barbe North, which is in my district of northern Newfoundland and which everybody seems to forget, is in northern Canada. In spite of all the policies and millions of dollars being poured into northern Canada, and in spite of all the need for the movement of goods and services between Newfoundland and Labrador over a distance of 10 or 15 miles, we cannot seem to get the government to realize the need for a proper wharf so that the ferry can dock and so that the service may operate in a modern way. Many papers come across my desk indicating what the Canadian government intends to do about the north. I must say that it would seem that the northern part of Canada in my riding of northern Newfoundland gets little or nothing. I demand that this ferry service be looked into, and I hope the Minister of Transport (Mr. Jamieson) will do so.

There are many weaknesses in Air Canada's service and I hesitate to go into them, but it is obvious that the transportation system, particularly in my province, leaves much to be desired. It is difficult to understand why the government, on the one hand, spends many millions of dollars creating new agencies like Information Canada and, on the other hand, cannot provide a service in the

province of Newfoundland. This seems to be beyond comprehension. I can only ask that the government take another look at the situation or even speak to me, because I am willing to meet with them and discuss the matter. This might allow me to get over my frustration because I feel the province of Newfoundland should be considered as a part of the Canadian dream.

• (1240)

Mr. John Gilbert (Broadview): Mr. Speaker, the CNR financing bill before us brings to the attention of hon. members a potpourri of problems relating to transportation across the country.

But there are four main areas of concern—financing, pensions for employees, passenger transportation services in relation both to rail and air transport, and the involvement of the government in future planned development. If two ministers should be here today, they should be the Minister of Finance (Mr. Turner) and the Minister of Transport (Mr. Jamieson). The only official person I see here today, however, is the Parliamentary Secretary to the Minister of Finance (Mr. Buchanan). Well do I recall his speech when he introduced the legislation on behalf of the government. I believe it lasted for no more than ten minutes, probably for about seven minutes. It was the type of speech one would make to a Kiwanis Club or to a Kinsmen's Club or to a Chamber of Commerce. It was innocuous. It was anaemic. It was a nothing speech. Yet here we are, considering areas of concern which affect all Canadians. One would think the government would make a determined attempt to be persuasive and put forward a convincing defence of the position it has taken.

This has not happened. When I think of the Minister of Transport, I remember the late "Satchmo" Armstrong. "Satchmo" Armstrong was a man who was all smiles. His gravel voice put out a multiplicity of words. What he performed on the trumpet was really sweet music. The Minister of Transport is all smiles and he is all sweet talk. The difference is that he blows nothing on his trumpet. Nothing comes out. He is all puff, but there is no performance. It is a sad note that he is not here today. It is sad to think he has not been here during the debate to listen to the representations made by various members of the House concerning the troubles they have encountered in the field of transportation.

I appreciate that the areas of responsibility which the minister must assume in the railway and transportation fields are wide. But it seems to me, from his performance so far, that he has been a captive of his officials, that he has become the yo-yo of their policies and decisions. Substantially, they have no policies and, in fact, they make very few decisions unless those decisions are dictated to them or influenced by CNR officials.

I notice, now, that the Minister of Industry, Trade and Commerce (Mr. Pepin) is presently in the House. I hope he will bring to the attention of his colleague, the Minister of Transport, that he has been compared with "Satchmo" Armstrong. I compare the Minister of Industry, Trade and Commerce with Maurice Chevalier.

Mr. Pepin: It is usually Fernandel.

[Mr. Marshall.]

Mr. Gilbert: The late Maurice Chevalier is usually thought of as a man who was all song and dance and it seems to me that the Minister of Industry, Trade and Commerce is all song and dance. I hope he will bring to the attention of the Minister of Transport that the latter has been compared with "Satchmo" Armstrong. "Satchmo" played sweet music and put up a tremendous performance. The Minister of Transport is all smiles, all sweet talk, but there is no performance.

Mr. Pepin: That is not very appreciative.

Mr. Gilbert: These are words I must use in reference to the Minister of Transport. Sometimes I have to say certain things about the Minister of Industry, Trade and commerce. I well recall that when 600 men were laid off at the Dunlop plant in Toronto, he adopted a soothing approach and said everything would be done. In the event, little or nothing was done about the jobs of these 600 people. Yesterday, when I heard the hon. member for Notre Dame de Grâce (Mr. Allmand) talk about unemployment at the Northern Electric Plant in Montreal the idea which crossed my mind was this: I hope the Minister of Industry, Trade and Commerce will not treat the employees of Northern Electric in the same way as the employees of the Dunlop plant were treated.

Mr. Deputy Speaker: Order. I wonder whether the hon. member who has the floor would return to the motion before us. I am anxious to hear him move on to another minister.

Mr. Gilbert: It is unfortunate there is a time limitation, otherwise I could spend the afternoon moving from one minister to the next.

May I say that the Minister of Transport has really contributed nothing new, nothing dynamic, nothing constructive to the solution of the main problems facing us today in the transportation field. Your Honour will recall that I said there were four areas which were of particular concern. The first concerns finance. The CNR has been the recipient of the financial burdens of railways which were operated by private enterprise in the past and which failed. When reorganization took place around 1920, the CNR assumed those responsibilities. From that time until today it has continued to bear this burden in the form of bonds and liability for interest payment. These liabilities have proved to be an albatross around the neck of the CNR and have, indirectly, been the cause of a great deal of unfair criticism directed toward a public enterprise. Critics of public enterprise point a finger at the CNR and say: This is an example of what happens when an enterprise is taken over by the government. They do not go back into history and remember that the CNR was saddled from the beginning with an almost impossible task.

I would imagine that the main question we should be asking ourselves is this: How can we best approach the rationalization of this financial position? How can we set up a financial structure which would give the CNR an opportunity to succeed? I hasten to add that the CNR has shown a profit on its yearly operations in terms of the profit and loss sheet. The difficulty has arisen with regard to the repayment of the bond holders in connection with the debt the railway assumed around 1920. One would

think, therefore, that the government would consider taking the initiative by paying past debts of the company and setting up a new financial structure.

It appears to me that the financial problem to which I have referred could repeat itself in the area of air transportation. Air Canada has in the past had the exclusive right to provide air transport, but from the time it was set up to the present day there has been a whittling away of the monopoly that Air Canada should have in the provision of air transport. The CPR entered the air transport field and has taken away some of the routes Air Canada served in the past. We now have other air transport companies entering the field, again trying to fragment and to whittle away the monopoly that Air Canada should have. The small companies, with their so-called feeder services, are attempting to encroach upon the operations of Air Canada. Need I mention the recent application of Trans-Air, which now wants to provide passenger service from Toronto to Winnipeg, thereby again cutting in on the service of Air Canada.

• (1250)

Surely, the day will be reached when the operations of Air Canada will be so fragmented by the encroachment and intrusion of private air companies that we may find a repetition of what happened to the railway services in 1918, where finally the private companies failed and were merged into the CNR. I suggest you may find Air Canada failing in the future as a result of the intrusion and encroachment of private companies. Then, the logical result would be that the private air companies would fail, and then the business people would look to Air Canada to assume their debts and also to acquire their routes.

One of the things that worries me is that, with the setting up of the Canada Development Corporation, there has been a great deal of talk about such companies as Air Canada and Polymer being purchased by the Canada Development Corporation, then shares being issued which would be made available to the public. I can almost anticipate what would happen, Mr. Speaker. I do not think one has to be an old testament prophet or a Jeanne Dixon, a woman we hear about in the United States who forecasts the future, to see what might happen. We will find the CDC, by assuming the assets and operations of Air Canada and Polymer and making shares available to the public, stressing the profit aspect of their business operations and forgetting the service aspect.

In that situation the corporation would be concentrating on profit rather than on service, and it may get into the same hoary mess that the CNR has got itself into in the field of transportation. I hope that this does not happen. I hope that the parliamentary secretary will take the message back to the Minister of Transport (Mr. Jamieson) and have him spend a weekend in retreat thinking through some of the problems that have been presented to him by all members of this House.

Mr. Deputy Speaker: Order. The hon. member for Grenville-Carleton is seeking the floor.

Mr. Blair: Mr. Speaker, might I have the floor to ask permission to ask the hon. member a question?

Mr. Gilbert: Certainly, Mr. Speaker.

Mr. Blair: As I understood the remarks of the hon. member, he said that Air Canada was going to be sold to the Canada Development Corporation. I wonder where and when that was announced.

Mr. Gilbert: Mr. Speaker, I have great admiration for the hon. member for Grenville-Carleton (Mr. Blair), and I appreciate his fears regarding the forthcoming election in view of the high calibre of candidates who will be facing him.

Mr. Blair: What about answering the question?

Mr. Gilbert: I would have hoped that he had listened to me, because I did not say that the Canada Development Corporation were going to acquire these corporations. I said they may acquire Air Canada and Polymer. I am sure that now he has heard the answer he will be persuaded that what I have said has not only strength but soundness.

Mr. Blair: I am just as confused now as the hon. member's constituents.

Mr. Deputy Speaker: Order. The hon. member for Broadview.

Mr. Gilbert: I can just picture the hon. member for Grenville-Carleton practising law full time within a few months.

The second area of concern for most Canadians is the question of CNR pensions. I am sure the parliamentary secretary heard the remarks made by the hon. member for Winnipeg North Centre (Mr. Knowles) who has raised this matter over the many years he has been here and has commented on the unfairness and the discrimination being experienced by employees of the CNR. I think that the CNR operates on the principle of divide and rule, much like the British government did during its tenure in India.

Mr. Brewin: The rule of all empires.

Mr. Gilbert: As the hon. member for Greenwood (Mr. Brewin) says, this has been the rule all empires in the past have operated under.

Mr. Brewin: It started with the Romans.

Mr. Gilbert: As the hon. member says, it started with the Roman empire. I thank him for his historical note on the subject.

The main issue on the subject of pensions, which I think all members should be apprised of, is that CNR employees receive 1½ per cent per year of service calculated on their best five years salary. For example, if an employee works for 20 years, at 1½ per cent he would receive 30 per cent of the average of his best five years salary. May I remind all hon. members of the House that federal civil servants receive 2 per cent of their salary, or half a per cent more. I suggest this represents a great disparity and I would be delighted to tell my colleagues about that following the recess, Mr. Speaker.

Mr. Deputy Speaker: Order. It being one o'clock, I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

• (1410)

Mr. Gilbert: Mr. Speaker, prior to the luncheon adjournment you will remember that I said there were four main areas of criticism with regard to the performance of this government in the transportation field, both in its railway service and its airport service. You will recall that I said that first, the criticism related to financing, second, to pensions, third, to passenger service, and fourth, to the involvement of the government in land development. I underlined, in my usual low key style, that the performance of both the Minister of Finance (Mr. Turner) and the Minister of Transport (Mr. Jamieson) has been very bad, not only so far as their lack of attendance to hear the representations of the different members of the opposition is concerned but also as regards the performance of the officials of the Department of Transport.

With regard to pensions, I said that the government was applying the divide and rule theory to CNR employees so far as their pensions are concerned, according to which the government pays only 1½ per cent of the salary of the employee during his years of service and the calculation is based on his best five years of service. The example that I gave was that if an employee worked for 20 years he would receive 1½ per cent per year of service which would make 30 per cent of his best five year average salary, whereas the federal civil servants obtain 2 per cent per year under the same formula. Therefore, the federal civil servants receive 40 per cent of their salary while the CNR employees receive 30 per cent which, in my opinion and that of many others, is rank discrimination and unfairness. Not only that, there is also the question of the recent catch-up payment made by the government to meet some of the shortages that railway employees were experiencing in the country. I think the government gave them a one-shot payment to make up the difference, whereas the federal civil servants have a continuing formula. Therefore, again there is discrimination with regard to the railway employees.

This indicates the callous, indifferent and political attitude of this government concerning pensions of CNR employees. This divide and rule theory has been applied not only to CNR employees but to the senior citizens of this country. The government has used the same technique with regard to cost of living payments to people who only recieve old age security payments and to those who receive old age security plus the supplement. The people who receive old age security and who have contributed a great deal to this country are thereby denied any cost of living bonus. This principle is being applied to the CNR employees, and many of us look on it as a double standard used by the government. We think it is distasteful and disdainful.

The third area of criticism that we in the opposition have relates to the passenger service performance of the CNR. Over the years I have heard many people refer to the great performance of Mussolini in Italy who made the trains run on time. I have also heard comments regarding the fantastic railway service in Japan, as well as the fast, efficient and well administered railway service in certain European countries. The question arises, why are these tributes paid to these countries but when it comes to the transportation in Canada people are dismayed and disgusted. Some say that it is because of the public ownership principle in countries such as Japan, Italy and other European countries where the public demands efficiency. Here, we have historical facts which run against us, where we have one railway line operated under public ownership and the other, the CPR, under private ownership. This conflict does not produce an efficient type of service which people want and expect.

The tragedy with regard to the railway service is that the CPR dominates the transportation scene in Canada. When they decide, for example, to abandon the passenger service, the government says "yes, sir, we will assist you to do so". So they abandon rail lines and services while the government stands idly by and the minister takes no active part to protect the people of this country. When the CPR says that they will discontinue the passenger service because it brings no profit but they will continue freight service because it brings profit, then it is high time for the government to take the initiative and set down a transportation policy which would meet the needs of all Canadians. Surely, the time has come when the CPR should be confronted with the situation which exists in transportation, and if they have ideas regarding the discontinuing of passenger service then I hope we will not make the same mistake as was made by the CNR back in 1918 when private companies failed and their debts were assumed by the CNR. I hope that if any compensation is given it will be minimal, because what we need across the country is an integrated service which will meet the needs of all Canadians and which will use up-to-date transportation techniques, not only with regard to passengers but with regard to products.

When one reads of track air cushion vehicles and yet find we have had no real research and development by the CNR in this area, one wonders what they have in mind with regard to future development in this field. This also brings to question the cummuter train service which to date has been haphazard and very inefficient. I hope that the Parliamentary Secretary to the Minister of Finance (Mr. Buchanan) will bring to the attention of the Minister of Transport some of the failings that we have experienced in the transportation service.

With regard to our air service, lately we have had the problem of the new airport in Toronto. You will recall that a few years ago when air transport needs were very pressing in Toronto, the government recommended the expanded use of the Toronto international airport at Malton. You will recall also that the hon. member for Peel-Dufferin-Simcoe (Mr. Beer), and other hon. members who were directly affected raised such a furore with the government that it backed down and changed its decision with regard to any future expansion of the Malton airport. I notice that the hon. member for Peel-Dufferin-Simcoe is present this afternoon.

• (1420)

I think I should say to him that I am not being unduly critical of him, or the hon. member for Peel (Mr. Chappell) with regard to the opposition from their constituencies concerning expansion of the Malton airport. But what

I am saying is that this would indicate a lack of planning with regard to an expanded airport at Malton. To permit builders to build homes so close to Malton airport, when the government should have had the foresight to know the area would be required for expansion, makes me believe the Minister of Transport (Mr. Jamieson) has been negligent in the performance of his duties.

What happened? The hon. member for Peel, and possibly the hon. member for Dufferin-Simcoe—

Mr. Beer: On a point of order, Mr. Speaker, I would appreciate it if the hon. member would get my constituency right. I represent the riding of Peel-Dufferin-Simcoe.

Mr. Gilbert: I apologize to the hon. member for not naming his constituency correctly. Mr. Speaker, I was sad to read the news that he is about to retire from his constituency. I hope he enjoys the full benefits of his pension. As I was saying, the representations made by the members representing these constituencies were so valid and strong that the government backed down with regard to expanding the Malton airport. As a result we had a continuation of the problem of transport in Toronto.

Then, the government brought forth the second suggestion, that the airport should be located at Pickering, and for the last while we have had discussions with regard to the new location. It would be fair to say that the Liberals are incomplete disarray concerning it. Here I mention the hon. member for Ontario (Mr. Cafik). When I think of him. Mr. Speaker, I think of Charlie McCarthy because he appears to be speaking out of both sides of his mouth. He appears to be saying yes to some, and no to others. It will be interesting to see which side he comes down on with regard to the site.

I also think of the hon. member for York North (Mr. Danson) who, when the motion concerning CNR financing came up, did not touch on the airport at Pickering but said he would prefer the new airport to be located at Peterborough. Actually, he indicated he was in favour of the airport at Pickering, but when the flack reached his ears from constituents who found that the flight pattern would be right over their property he had to take the position that many people take when trade unions become involved in organizing. It is known as the mug-rump position. They have their mug on one side of the fence and their rump on the other. He reminds me of the fellow who goes to the old swimming hole, takes off his clothes, goes in for a swim, comes out, finds his clothes missing, and runs around screaming, wondering where they are. The hon. member for York North is running around screaming trying to find out what position he should take.

What do we need with regard to a new airport in Toronto? First of all, Mr. Speaker, we must establish that there is a need for a new airport. Secondly, if there is a need, we must establish what is the best location. The hon. member for Greenwood (Mr. Brewin) sent a letter to the Prime Minister (Mr. Trudeau) on this matter, and in it touched on two problems that exist. In it he wrote:

> First of all, I do not believe that any convincing case has been made out for the need for a new international airport in the Toronto area. If such a need exists it should be shown to the public to exist. Secondly, assuming the need, I do not believe that a case has been made out for the site now chosen as the best possible site.

Then, he pointed out a precedent in England which most of us should know about. I quote:

> I note that in the United Kingdom when in the planning stages of developing a third London airport, a commission of inquiry, the Roskill commission, was created to advise the British government as to its timing and location. The commission engaged a research team and a number of outside consultants. Public hearings were held to establish the facts and a further public hearing was held in London following publication of a cost benefit analysis. The commission made its report and it was submitted to the government.
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> The public was invited to present its arguments in favour or contrary to the proposed plan. Witnesses were cross-examined to ensure that the strengths and weaknesses of the evidence would be made apparent.

I think this should be the approach with regard to the new site at Pickering. I am not alone in this belief because I notice that the Ontario Liberal leader, Robert Nixon said recently that the province might as well hold public hearings immediately on the proposed Pickering airport. He is attempting to say that the onus is on the Ontario government with regard to public hearings. In light of the new expropriation laws that have been passed, I think the government will take the position that there must be public hearings, and will have them held under the provisions of that act. That is not adequate, because under the Expropriation Act there is no requirement on the person holding a hearing to delve into all the pros and cons. His jurisdiction is too narrow for that.

What we need is a public inquiry along the same lines as they had in England, where a commission was set up which made a detailed study. A report was submitted to the government and then the government submitted that report to a public inquiry to determine the pros and cons. This would be a fine example of participatory democracy. At the moment, we have only the Minister of Transport acting in a very cute and shy, concealing way with regard to the government's plans.

My final point deals with the participation of the government in land development. The example I have in mind is Metro Centre in Toronto, a development of the southern part of the city towards the lake, extending roughly from Yonge Street to Bathurst, and embracing a good number of acres. This venture has required the joint participation of the CNR and the CPR. Very little public information has been given out by the CNR or by the minister with regard to the government's involvement in Metro Centre. I would like the parliamentary secretary, and possibly the officials in the gallery to make note of some of the questions I have received concerning Metro Centre. Incidentally, Mr. Speaker, I note that you are keeping your eye on the clock. I would like to remind you that we did not start until 12 minutes after two o'clock and so I have another five minutes to go.

These are some of the questions that I have received: one, what happens when a public corporation, the CNR, and a private corporation get together and produce an offspring, namely, Metro Centre Development? Surely, the legitimacy of the results of such a union should be questioned? Two, what has the CNR contributed to this union? How is it being financed? Three, what reason does CNR give for tearing down Union Station and building a new terminal just south of the present Union Station site?

Four, how much land within the Metro Centre area does CNR hold title to, and approximately where is it located? Five, what guarantees can CNR give that in the event a new terminal is built, passengers will not be inconvenienced by longer walking distances between subway, GO-trains and mainland trains?

• (1430)

What guarantee can the Canadian National provide to GO-train passengers that the new terminal will be located no further from the center of the city than the present Union Station? Has the Canadian National investigated the possibility of retaining the present post office terminal 'A' building for an air terminal and, later, bus terminal? Has Air Canada shown any interest in retaining the post office downtown for an air terminal where outgoing passengers can be ticketed and transferred to Malton by rail, thereby bypassing the passenger terminal at Malton? Is the Canadian National engaged in any studies to provide additional commuter passenger train service, in co-operation with the province of Ontario? Is the Canadian National engaged in research, or is it sponsoring research with regard to track air cushion vehicles? Those are some of the questions submitted to me with regard to the Metro Centre, and I hope we get answers to them. As I said at the beginning of my speech, four main areas have been covered but we have had little or no response and the only conclusion must be that the government feels "the public be damned, long live private enterprise". I am ashamed if that is their position.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, Bill C-4, to finance and guarantee funds to the CNR and Air Canada provides the annual opportunity for members of this House to discuss transportation problems. These two companies service most of Canada, along with the CPR and CPA and so transportation problems in Canada in general may be touched upon as well as any specific cases. The lack of a viable transportation policy affects people from one coast to the other and the economic problems involved concern all members.

In commenting upon this bill this afternoon, I should like to be as objective as possible. I certainly do not intend to mention political parties because this problem affects all of us. However, in Atlantic Canada Transportation has always been a problem and, in fact, the basis of our entry into Confederation was access to the central Canadian markets. In fact, the Maritime Freight Rates Act was supposed to guarantee that Atlantic Canada would have equal access to the central Canadian markets, but regardless of what party was in power, problems have existed.

On March 14, when the minister introduced the bill he outlined the problem. While some of his speech was interesting and philosophic, I felt that he tended to ignore the historic right of equal access given in the Maritime Freight Rates Act. He mentioned that our freight rate increases are under the national average, notwithstanding the fact that we have had eight increases in the past 29 months. I should like to illustrate how these increases affect a manufacturer in my area. Ironically, two years ago this manufacturer received assistance through a DREE grant in order to expand his plant so that he could compete in Canada. His ability to do this is seriously impaired by these freight rate increases in such a short period.

The Maritime Freight Rates Act was designed to give goods manufactured in the Atlantic provinces access to the central Canadian market. When there is a freight rate increase across the board of, say, 10 per cent, that has less impact on the short-haul shipment from Ottawa to Toronto or Montreal than it has on the long-haul shipment from Halifax to Montreal or Vancouver. This has been recognized by various transportation commissions and they have attempted to resolve it. The formula in the Maritime Freight Rates Act represented an attempt to solve the problem, but now that act has been superseded. It is not good enough for the minister to say that our freight rate increases are still under the national average. Because of the distance involved, any increase hits us harder than it hits the shipper in central Canada.

The MacPherson Royal Commission stated in volume one of its report at page 18 as follows:

> It is the regions of Canada where competition to the railways is less intense upon which the present freight rate structure bears most heavily. Although monopoly no longer characterizes the transportation system as a whole in Canada, there are still vestiges of it in areas which, because of inadequate highway facilities, distance from markets, or other factors which have inhibited the development of competition, continue to be dependent to varying degrees on railway transport. While it is true that the number of competitive rates and agreed charges is growing in both the Atlantic provinces and western Canada, the indications are that they are comparable neither in quantity nor quality to those applicable within central Canada.

And here is the important part, Mr. Speaker:

> The end result appears to be that the uneven impact of competition, transmitted through the freigh rate structure, tends to produce a greater relative increase in the price of moving goods by rail for the Atlantic and western shipper than that experienced by shippers in Central Canada. This effect is particularly noticeable on long-haul shipments to the markets of central Canada. For example, the marketing consequences of a 20 per cent increase to a long-haul shipper who has been paying $500 a carload to get his product to the Toronto market and will now pay an additional $100 are obviously more serious than those upon his short-haul competitor who has been paying $50 a carload to get to the same market and will now pay only $10 more.

In Atlantic Canada, there are not too many viable companies manufacturing the basic necessities, but I should like to illustrate the impact of this freight rate increase on a company in my riding, the Canadian Keyes Fibre Company, Limited. As a result of the last freight rate increase, and there have been eight over the last 29 months the last talking place on February 14, 1972, the transportation manager of the company wrote to the minister and pointed out in graphic terms how these freight rate increases, one piled on top of the other, are pushing this company to the brink of survival, since most of its customers are in the west and central parts of Canada. He wrote:

• (1440)

> On February 14, industry in Nova Scotia, and across Atlantic Canada will be faced with an increase in most rail rates, ranging from 4-8 per cent. Some people may say "so what, a rate increase of 4-8 per cent in many industries would not be considered unrealistic." The startling thing about this increase is that it is the eighth time in the past 29 months that rail rates have increased!
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> Canadian Keyes Fibre Company Limited, located in Hantsport, Nova Scotia, manufactures a variety of molded wood pulp prod-

ucts such as Egg Cartons, Berry Boxes, trays for packing eggs, meats, produce, etc., Pie Plates for bakeries and disposable tableware. We presently employ approximately 325 people.

Most of our products are made from raw materials produced in Nova Scotia, utilizing the natural wood resources of our Province. These finished goods are sold in all major markets across Canada. We are, therefore, a "resource" industry that makes a major contribution to the real wealth of our Province. A very minor portion of our production is exported outside of Canada.

He went on to say:

We feel sure that if a manufacturer as vital to the economy as rail transportation were to apply increases at the rate of 8 times in 29 months, and a cumulative total of some 35-68 per cent, government action would very likely be considered.

We know, Mr. Speaker, that when the St. Lawrence Seaway workers were given a 30 per cent pay increase over a two-year period, there were objections. Some members in this House as well as people around the country, say that our present inflationary spiral can be traced back to that fantastically large increase, in percentage terms, which was granted to those workers. People have criticized that increase bitterly. As the writer points out, cumulative increases of between 35 and 68 per cent in other areas would bring cries of outrage from the members of this House. He illustrates how these increases have affected the transfer of goods from Hantsport, where the company exists, to the various shipping points where the customers are. I will not read the entire list. It is interesting to note that the rate from Hantsport to Cornerbrook was $1.13 on January 1, and now it is $1.81. From Hantsport to Montreal, the rate on January 1, 1969, was 93 cents; on February 14, after the last increase, it rose to $1.37. I might mention that these are increases on class 45 carload rates to these various points.

The rate to Toronto went up from $1.30, on January 1, 1969, to $1.84, after the last increase. To Winnipeg, the rate was $2.99 in January, 1969, and went up to $4.13 after the last increase in February. To Calgary, the rate went from $4.65 in January to $6.08, and to Vancouver it increased from $5.65 to $7.39. In view of these increases, one wonders how the company can continue competing in the markets of Canada. Instead of philosophizing about the national average of rate structures and saying that perhaps we are not far above or below that national average, the minister should consider how any across the board increase adversely affects the long-haul shipper, be he in the east or in the west.

These increases constitute real discrimination against relatively depressed areas of the economy and make it difficult for companies in those areas to compete. Apparently the minister either does not acknowledge the problem or has underplayed its seriousness. Certainly, the point at issue is not any national average for rate increases. That is not the point at all. The point we must consider is the history behind the maritimes freight rates legislation. That legislation was originally introduced to guarantee our producers access to the markets of central Canada. A subsidy was paid. That is no longer the case under the National Transportation Act. Consequently, the long-haul shipper, whether in the east or in the west, is much harder hit now with across-the-board increases.

I think the traffic manager of the company was most moderate in suggesting to the minister that such action should not be taken again without further study, and that the Atlantic Provinces Transportation Commission ought to be involved in any study before there are any increases. In his letter he spoke about the impact of these freight rate increases and suggested that their impact be assessed before further increases are piled on top of the ones already imposed during the last 29 months. He suggested, further, that the minister obtain a progress report from the federal-provincial committee which was set up to examine the recommendations made by the premiers of the four Atlantic provinces in March, 1969. These actually have not been fully implemented. Only one or two of those recommendations have been implemented, most of the others are gathering dust.

The former minister of transport who is now the hon. member for Trinity (Mr. Hellyer) requested concrete suggestions on how to resolve these fundamental problems. We waited for two years while four Atlantic premiers of different political stripes set up a joint study. Federal funding was involved. In the end, the Atlantic Provinces Transportation Committee made recommendations that were unanimous. They were adopted by the Atlantic premiers, who adopted them regardless of political stripe. For the first time we had a report from the four Atlantic premiers, and it set out clearly positive steps that should be followed if the perennial problem of transportation was to be resolved. Since then, another minister of transport from eastern Canada has been appointed. Certainly, he is aware of these recommendations and is as vitally concerned about them as we are. Unfortunately, the mechanism that the premiers wanted to establish for resolving these problems is not in operation. The federal-provincial committee set up to continue the work begun by the four Atlantic premiers has not followed the recommendations of the four premiers.

Mr. Thomas (Moncton): Also, the minister has ignored the committee report which endorsed the recommendations of the premiers.

Mr. Nowlan: As my friend from Moncton has reminded me, the minister ignored the unanimous report of the transport committee that had travelled through Atlantic Canada. Ironically, it was tabled in the House on the very day when the minister brought in the most recent transportation bill, the Atlantic transportation fiscal arrangements act, or something like that, in 1969. We went to all the trouble of travelling around the various areas of Atlantic Canada. I was a member of the committee, as was my good friend from Moncton. This commitee heard all the government groups, the boards of trade, the manufacturers groups and the farm groups. The committee came back here and prepared a unanimous report which was not a political partisan document.

• (1450)

The great irony is that the report was tabled in the House of Commons on the very day the Transport Minister brought in the Atlantic transportation fiscal arrangements bill, as I believe it was called, a piecemeal transportation bill to help solve part of the Atlantic transportation problems. At that time, the minister said that other bills would follow after the transportation committee report was evaluated, and after the Atlantic premiers report was

assessed. That was in 1969, and we still have not had further items dealing specifically with Atlantic transportation. One might leave out the criticism I have made in respect of these eight increases over a period of 29 months and say I am being parochial in talking about Atlantic Canada. Of course I am, because I have the honour to represent a riding in that part of Canada.

Let us leave the question of the lack of Atlantic policies and talk about the general transportation policy in Canada or the lack of one. The National Transportation Act was supposed to be the great blueprint for all time. This is the act which created the Canadian Transport Commission. The Minister of Transport who piloted the bill through this House became the first chairman of the Canadian Transport Commission. I refer of course to Mr. Pickersgill who is now Chairman of the CTC. Even since 1969, there have been so many changes that some of the underlying premises of the National Transportation Act as we have seen it implemented should be challenged. I think the compensatory rates for competitive modes of transport must be seriously considered. I wonder whether they are really valid. As I wonder this, I should like to draw attention to what the Canadian Railway Labour Association thinks about a national transportation policy, or the lack of one. This organization made the following submission to the government on March 6, 1972:

> We agree with the general principles of the 'National Transportation Policy' but suggest that it does not go far enough towards meeting the needs of the Canadian public. For example, the national transportation policy should be directed towards the fullest use possible of Canadian transportation facilities in the movement of our natural resources to export positions. We have in mind such cases as the exporting of coal from the Kootenay region of British Columbia to the Roberts Bank superport which was constructed partially with Federal funds. Our contention is that the movement of such Canadian natural resources should be restricted to Canadian modes of transport using Canadian routes. We further contend that such issues should be dealt with on a national level, that there should be a national policy for dealing with these issues, and that they should not be left with a provincial regulatory body or a provincial government. In addition in the application of the policy to date vis-à-vis the rail passenger situation, too much emphasis has been placed on the narrow concept of economic viability.
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> We have emphasized throughout this Brief the existence of change and the many ways in which change should affect policy in Canada. One dominant reason why change should bring about new and different policies is because, with the passage of time, the assumptions upon which existing policies are based become less valid, if not erroneous.

That is what I say has happened in respect of the National Transportation Act. The brief continues:

> A case in point, and one which is of great importance to us is the National Transportation Act. Many of the basic assumptions upon which this Act is based date back to the MacPherson Royal Commission in the 1950s. We are very strongly of the view that many of the conclusions of the studies done for that Royal Commission are not consistent with contemporary views. The Act contains a built-in bias towards using economic viability as the over-riding criterion for determining railway passenger transportation needs. We suggest that the assumptions upon which the Act was based are not a sufficient basis for contemporary policy and that these assumptions are in contradiction with many of the Government's other policies.
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> The assumptions of the Act are insufficient today because the Canadian people and their Government have increasingly realized that while economic criteria are important, perhaps the most important criteria, they should not be the overriding consideration in all cases. This is especially true when one considers the long-term results of any given action. We have realized that while the gross national product may be a reasonably satisfactory aggregate measure of the Canadian people's well-being, it is a poor measure of the quality of life.
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> Increasingly also economics and the other social sciences have placed renewed emphasis upon a vastly broadened concept of cost, realizing that public costs and benefits can, and frequently do, outweigh private costs and benefits. To consider only costs and benefits in a narrow sense is to accept a short-term and unrealistic framework for policy. It is not sufficient for the Canadian Transport Commission to look at the costs and revenues as submitted by the railways for such a service and merely weigh those arguments against the views of the public at a hearing.
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> This Government has increasingly demonstrated its willingness to view problems on a long-term basis and to do so within the framework of a broadened concept of costs and benefits, especially with respect to environmental questions. But your willingness to be farsighted on some environmental issues contrasts sharply with the underlying assumptions of the National Transportation Act, which is the basic element in Canada's transportation policy.
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> There are numerous ways in which the National Transportation Act conflicts with current policy. We wish to mention only two. With the elimination of rail passenger service the public's ability to choose among different modes of transportation is being restricted. This would not be such a serious situation if the various methods of transportation were perfect substitutes. They are not. They are in many ways complementary but not substitutive. Therefore the mobility of the public is being lessened and the cost of maintaining the same amount of mobility is being increased.
>
> Secondly, the elimination of rail passenger service is promoting the increased use of automobiles at the same time as the public and various levels of Government are becoming concerned about the increasing costs of pollution, congestion, etc. The current policy is encouraging the elimination of rail passenger service despite the knowledge that such service is the most acceptable means of moving large numbers of people on an urban, interurban and national basis. We submit that the aims of the present policy of the National Transportation Act are outdated, inadequate, and inappropriate and should therefore be immediately revised.

I could read much more, because I certainly concur with a good part of it. In terms of Atlantic Canada, not only have we not moved ahead to implement the firm recommendations of the four Atlantic premiers or of the Atlantic transportation committee, but on a national basis there is a question whether we should review some of the underlying principles of the national transportation policy.

In the few minutes I have remaining, I should like to mention the question of re-financing in a very general way because it is a very complicated subject. It appears that the minister's statement can be taken at face value and we will have another opportunity in another session, if and when there is another session, to discuss other features of the Canadian National Railways or Air Canada. The minister said there will be a bill to separate Air Canada from the CNR and also that there will be, I believe he said, a new CNR revision act. I think members should take note now that in any so-called revision act we should not continue to perpetuate the myth about the debt structure of the CNR, notwithstanding the debt structure it assumed many years ago in respect of all the other railways. I do not have the time or expertise today to go into this in any great detail, but in 1952 there was a recapitulation of the CNR debt structure which involved hundreds of millions of dollars. At that time, and through that bill, as a result of the buying of shares and the low interest placed on some of the loans, the CNR was sup-

posed to be put on a position to compete with any other railway. It was felt then, that the CNR would not need to come back perpetually to the Parliament of Canada to be bailed out.

It will be very interesting when the new bill is introduced to see just what explanation will be given concerning why the taxpayers of Canada will again have to bail out the CNR because of the very heavy debt structure that has been criticized since 1952. This question has a real impact upon anyone involved in the trucking industry, because as we all know both CP and CNR carry on very large trucking operations. In the case of CP it is through Smith's Transport, and in the case of CN it is through CNCL and a host of similar companies which carry out the motor transportation operation.

• (1500)

The CN has not differentiated between these two aspects of its operations to the point where we can ascertain what costs are charged against rail and what costs are charged against motor transportation. This is a situation we should check into when the recapitalization bill comes before the House.

The measure before us will, if passed, perpetuate a situation in which motive transport is subsidized from the public purse despite the fact that this section of the railway company's operation is in direct competition with private trucking companies. It is one thing for CN or CP to be in the trucking business. That may be fine. But there are many other companies in the trucking business across Canada, and we are giving CN an unfair advantage if we enable it to get money from the public purse either by means of an annual financing bill such as is before us, or by way of the recapitalization bill which the minister talked about.

I hope that before the bill comes to a vote on second reading, steps will be taken to refer this matter to the transport committee in order that the proposals of the CNR can be examined by that body in a context which would allow representatives of the trucking industry and others concerned to cross-examine the railway company on its proposals. We might as well admit that members of the transport committee of this House do not possess the expertise necessary to carry out an effective cross-examination of the company officials in this area or to become involved in the complex financial operations of the CN. Nor can this be expected of hon. members, bearing in mind all the other claims on their time in discharging their various duties.

Even the Minister of Industry, Trade and Commerce (Mr. Pepin) would, I am sure, admit his inadequacy when it comes to following through the maze of CN financing, beginning with the fact that it is not possible to distinguish between expenditures chargeable to the trucking side of the enterprise and those chargeable to the rail operation. It is too complex for ordinary people to understand.

Mr. Pepin: My father was a CN employee, and I know a lot.

Mr. Nowlan: I am glad to hear that. Perhaps the minister will be in a position, when the recapitalization bill is being dealt with, to attend meetings of the committee, not as a cabinet minister but as a private member and give us the benefit of some of the insight he learned at his father's knee.

Mr. Pepin: Lots of steam!

Mr. Nowlan: I want to move on. I am being very nonpartisan this afternoon.

Mr. Pepin: I can hardly believe it.

Mr. Nowlan: This is too serious a matter to be approached in a partisan way. This is a problem which has affected governments of all political stripes. I believe that before any recapitalization bill is considered by the transport committee we should have the benefit of a public hearing before the CTC where people more knowledgeable than we are can form an opinion as to the need for any such refinancing measure. After all, the CN was refinanced in 1952 and at that time the then president, Donald Gordon, took the view that there would be no need for the company to return to parliament in the hope that once again the taxpayers would bail out the company.

I should now like to say one or two things about Air Canada. First, I do not believe that we in Atlantic Canada have complained sufficiently about the plan to remove freight service personnel out of Halifax and locate them in Montreal, assisted by a computer service to advise them as to the vagaries of weather. We who live in Atlantic Canada know that one place can be in bright sunshine while another just a mile down the road is in thick fog. I suggest that Air Canada will find out to its embarrassment that no matter where it may locate these service personnel and no matter what computers are used, the service will not be as good as if it were provided on the spot, particularly when we are talking about coastal weather conditions, the strangest weather conditions of all to predict.

Everyone in Ottawa knows about the difficulties which arise when trying to get a reservation on an airplane after a certain hour. I have been trying today to get a reservation for a flight to Halifax. I was informed of the prerecorded signal from the computer located in Montreal, or wherever it is, but I can tell you, Mr. Speaker, that the reservations service is still not as good as it was when the office was here in Ottawa. And this is a relatively mechanical, administrative process. What will happen when an attempt is made to predict weather conditions? A few days ago I left my riding in bright sunshine. When I got to Halifax airport, 60 miles away, I found that the airport was fogbound and that no traffic was moving. On one occasion I telephoned Air Canada to ask about the weather situation in Halifax and was told that planes were flying, that everything was all right. After a four-hour drive in foul conditons, I arrived at the airport to find the runways fogbound and no traffic moving.

Nowadays, when I want information about weather conditions I telephone the airport directly. In light of this and similar experiences I believe it is a retrograde step to move service personnel to another location, as Air Canada proposes to do. I believe the travelling public will be far worse served after this change than it is at present.

CNR and Air Canada

Though my time is limited I should like to say a word or two about freight. I will tell hon. members a little story to illustrate in a personal way the problems with which shippers are confronted. For more than three months I had been trying to ship a box of books from my office to Halifax. The consignment is now somewhere between Ottawa and Halifax. I have spoken to people in Montreal in CN and in CP. They tell me there is no rail service into my area. I have asked my secretary to get me the names of the people who are telling me this garbage, in order that an appropriate letter can be written to higher officials in an attempt to ensure that something as simple as shipping a box of books to my area can be accomplished. I might add that it is a moderately progressive area, with mail service. I am trying to find out what all this hocus pocus is about.

Then, again, while I was in my constituency during the Easter recess I heard a complaint from a businessman that instead of being able to get deliveries by express within two or three days from Montreal he has to wait up to four weeks for shipments which are vital to his business as a user of aluminum products which are sent to him in broken lots. Regardless of what grand proposals the minister may have in mind, it is questions like these which deserve prompt consideration. In addition, of course, there is the question of increases in rates. The question of rate increases must be studied so we can maintain access to central Canadian markets.

• (1510)

Secondly, I think the minister could do what was done in the west when we were worried about supplying boxcars to carry grain and there was pressure to get the grain to the coast. At certain times they had what was called a controller at Winnipeg, or wherever these men work, to expedite or co-ordinate the movement of boxcars so that the demand for grain could be met. I do not know whether to call such a person a co-ordinator or an expediter, but as a matter of service by the government to the people of Atlantic Canada we should have express shipments made in less than the two to four weeks that they presently take. My area is serviced by the DAR—the Dominion Atlantic Railway—a subsidiary of the CPR. There is a problem in obtaining transfers from the CN to the DAR, which is why it became known as the "Dangerous And Rotten". This is where the tie-ups occurred.

I notice my time has just about expired, but I hope the minister will seriously study the proposals of the Atlantic premiers which have not so far been implemented. Secondly, I hope he will follow the recommendations of the transport committee which have found blessing on all sides of the House. Thirdly, I hope the minister will set up a co-ordinator or expediter so that when a man pays for express service he gets it, thus being able to maintain his operation. Certainly this is difficult enough under the present trying conditions.

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I welcome the chance to speak on this motion before the House because it gives me the opportunity to bring to its attention a very serious situation in the area generally north of Toronto. I refer to the complete lack of sensitivity of the

[Mr. Nowlan.]

Canadian National, so far demonstrated, in regard to providing what is so badly needed in that area, namely, an efficient system of commuter transportation. This is an area where Canadian National Railways has singularly failed to meet its responsibility to the public and, more particularly, to the citizens of my area. Perhaps it would be useful to give some indication of the background to this problem to show the need and the desire for this service which so far the Canadian National has signally failed to provide.

I am talking of the area north of Toronto up as far as Lake Simcoe which north of the boundaries of metropolitan Toronto comprises well over 140,000 people. If we take into consideration those Canadians who are living within the boundaries of metropolitan Toronto but who could equally be served by such a commuter service, then we are talking of a population of roughly a quarter of a million people who have expressed for the last ten years, through every elected official at every level of government, no matter of which political persuasion, unanimous support for the provision of a commuter service. As I say, this support has been echoed by every community, village and social organization. So I suggest there is not much doubt about the desire of this population pool to use such a service. Nor is there much doubt about the facilities. There are, in fact, Canadian National Railways' lines operating through this area which are capable of providing a commuter service if only the railway itself were prepared to provide it. Even back as far as 1964 the metropolitan Toronto and region transportation study, through its researches, indicated a definite travel potential for such a service and, as well, a strong desire on the part of those in the area to use the service.

Over the past ten years the public demonstration of the need and desire to have such a service has been extremely clear. But what has been the reaction of the railways to this need? The reaction has been to try to shift responsibility. Every time the railways are asked to provide a service, they look over their shoulder and try to find somebody else to do it for them. First of all they shifted the responsibility onto the provincial government of Ontario. When we think of the eastern and western commuter services in and around Toronto, the Ontario government was prepared to take up this burden. Indeed, the provincial government committed itself to providing commuter service north of Toronto. When the province retracted from this commitment, the federal government at that stage became involved and took the initiative in promoting a tripartite study of commuter problems, a study involving the co-operation of the regional, provincial and federal governments.

Of course, this study takes time to complete. It also has implications not only for the Toronto area but for other areas of Canada. It will establish precedents regarding federal involvement in the provision of commuter services as well as for co-operation between provincial and federal governments and it will take all levels of government some time fully to consider these precedents. But this, Mr. Speaker, lies in the future.

What concerns me particularly is not future need and how it is to be serviced; what I am talking about is the need of the present population living in the area which for

well over a decade has indicated its desire for an improved service, for a commuter service. These people have waited a long time and with patience, perhaps too much patience. The result has been the ignoring of their need by Canadian National Railways—a lack, if you like, of social responsibility on the part of the CNR.

Faced with a magnificent opportunity to provide profitable services that would be useful to the citizens of the area, the CNR has done nothing. I am sure we have all known some people who, when they stumble across opportunity, immediately pick themselves up, brush themselves off and hurry on as quickly as they can, pretending that they never stumbled at all. That is exactly what the railways, particularly the CNR, have been doing in relation to providing commuter services—picking themselves up, avoiding the opportunity, hustling on and doing other things that they would prefer to do. Just what is the view of the railway? It seems to me that the CNR is just trying to make money, or perhaps you might say just trying to lose as little money as possible. It finds it more convenient to ship goods, or to run hotels—even if it has the Hilton hotel chain run them for them—than to meet the needs of the people, needs that the railways were established to meet.

I think it is woefully wrong for the CNR to pretend that it is just another commercial institution, as if it were making hula-hoops or bobby-pins. If it finds a more profitable area of activity than the provision of commuter transportation services, then it just ignores the need for those transportation services. I suggest that the CNR exists not just to make money but to provide a service to the people of Canada. Certainly that is what it was chartered by parliament to do.

What has been the reaction of the CNR? What are its motives? It is hard to deal with motives as distinct from looking at what in fact has happened. The CNR has not been concerned with the provision of services that might be needed; and if any evidence were required in order to show they are needed I might cite the example of the Markham service which passes close to my constituency. The CNR resisted for a long time the provision of passenger services to the people in that area. Then when the Canadian Transportation Commission required them to do so, the railway found it had more business than it was prepared for. The CN were surprised at the number of passengers who wanted the service, which I suggest is a demonstration of real need and user potential.

Recently we have heard reports that the CNR is planning to close down the station at Stouffville, which would be vitally needed for a commuter service. Fortunately, yesterday in our discussion of the estimates before the committee on transportation it was made fairly clear by Mr. Pickersgill that there will be no reduction or closing of facilities at Stouffville which would in any way harm the passenger service.

• (1520)

We are not asking the CNR to do something unique, unheard of or never done anywhere else in Canada. There is a commuter service provided in the Montreal area. That service has been provided for well over 50 years. I suspect this service is provided at a profit, otherwise surely the CNR would get rid of it since commuter services are not imposed on the railway by the transportation acts. If they can make money on commuter services around Montreal, or break even, why can they not provide similar services at the break-even point in and around Toronto?

The lack of desire on the part of the CNR to meet its responsibilities in relation to commuter passengers is one of the reasons I presented Bill C-24 to the House. That bill would establish a commuter passenger authority in and around the province of Ontario. It is because the CNR has not been conscious of its social responsibility that I have taken what is to some extent the drastic step of suggesting to the House of Commons that a new authority be established which would take into account, more effectively than is now being done, the need for commuter services in the Toronto area.

The tendency of the CNR has been constantly to hide behind the railway and transportation acts by saying that what is described there as the responsibility of the railways will be interpreted by them as the maximum of what they will do. It is true that when those acts were written it was not foreseen as strongly as it is today that there would be such a need for commuter services in and around urban areas of this country. These acts concentrate more on passenger service and place restrictions and limitations on the ability of the railways to get out of existing services, rather than concentrating upon the need for provision of new services.

I suggest as strongly as I can that it is wrong for the railways to say that what is the minimum required by law is the most they will do. That was hardly the kind of adventurous spirit that motivated the original railwaymen of this country to develop our country through the provision of an adequate transportation system. It is not even a businesslike attitude for any company, when given the opportunity, to resolutely refuse to take advantage of it because it is not required to do so by existing acts.

There is no doubt the CNR has the power to provide these services if it wishes to do so. My belief is that it would be profitable for it to do so. One would like to see the CNR much more forthcoming in meeting the legitimate needs of the population rather than concentrating too strongly simply on those things which are most convenient and profitable to it.

I hope that later in this session I will have the chance to discuss much more fully than I can this afternoon the needs I have described today and how they can be met effectively by Bill C-24. My purpose in speaking this afternoon is to bring attention to the House, as forcefully as I can, and to Canadian National Railways, the railway's responsibility to the commuter passengers—a need they are not now meeting but which I believe is a requirement this House should place upon them.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, two great transportation companies, Air Canada and the Canadian National Railways, are once again trying to obtain the authorization to use respectively $219,800,000 and 114 million dollars for their financial operations in various areas: transactions, development, payment of

bonds and new investment, including reserves for any deficiency in operating revenues until June 30, 1972.

I quite realize that corporations of the size of Air Canada and the Canadian National Railways are prepared to proceed with financial transactions from time to time, and I hope that this use of capital will be beneficial. Transportation in all its forms will always be with us.

Presently, we see that railway companies are testing various administrative procedures, and their officials claim that the objective is to show a profit. Unfortunately, that so-called modernization has resulted until now in massive lay-offs. Forecasts create a climate of insecurity among numerous workers who have given regular and valuable services to railway companies during many years.

As for results, I can point out certain facts of which the Canadian people are aware anyway, for instance, the increase in derailments, the downgrading of the passenger service through the removal of stops in convenient places. And I might even add the complete removal of train runs which would have been profit-earning, had the authorities been wise enough to take the advice of conductors before setting time-tables.

In our area, for instance, when the question of abolishing trains nos. 122 and 123, in the Chaleurs area, came up, the fact that our area was under a social and economic development program in which the population had been invited to take part, was ignored. Now, an important company like the CNR is negating every effort made over the past several years to bring together the different partners: governments, private decision making centres, and the population, refusing to take part in development projects and admitting casually that it has made a unilateral decision that could have consequences on the present experiment.

• (1530)

Yet, had its schedule been better balanced, the train could have run again during the holidays; and if some cared enough, it could be done immediately. If efforts are made to improve the service, there is no reason why it could not be profitable.

At this stage in my remarks, I want to point out one thing because derailments are increasing and the situation is becoming serious. Let us recall, for instance, that of the Rapido which occurred in early March, at Mile 33.3 near Joly in the riding of Lotbinière, and caused the death of a family head. That accident was caused by the negligence of the authorities whose responsibility it was to make decisions about snow removal on that track. It is easy to conclude that the accident was caused by bad weather, but any serious observer will admit that a snowplough should have been used to remove the snow from the track before the train went through.

The maintenance staff is kept to a minimum in a misguided attempt to save money, and we have to mourn the death of an assistant engineer leaving a wife and three children.

The government sits back and waits. The situation is gradually deteriorating in the rail passenger service. The government is apparently ready to authorize them to make various transactions, without making the necessary investigations which would undoubtedly reveal administrative mistakes which should be corrected. It might even be possible to find out one day what is the cause of those difficulties.

I have asked for a thorough investigation respecting the CNR's administrative procedures and I have not been the only one to do so. That is why I do not want to miss this opportunity to point out to the Minister of Transport and to the other members that it would be time to put some order in that bureaucratic organization.

Orders coming from management multiply, sometimes with prejudicial results. Here are some examples. In early February 1972, that is not long ago, about 350 mail bags of a total of 500 shipped to Lévis, Quebec City and the area failed to be delivered because the employees assigned to that type of job were short of time. Orders issued by management set the train departure, with the result that the mail delivery suffered considerable delays. Those mail bags were carried clear across the province then back again and in some cases the delays greatly inconvenienced the addressees.

According to the information I got from reliable sources, such orders from management are no longer considered as errors but as a bad habit with disastrous consequences.

As for decisions to close down stations, most of the time they are based on an automatic command system whose efficiency has yet to be proven. This modern information system no doubt entails various inconveniences. One would not imagine that computers can replace men in all fields. Quite often, we are victimized by delays and errors though our era is one of mechanized robots. Fortunately, they are not hurt by the communicable fevers or the epidemic strikes that we are experiencing.

Among the reasons justifying a real inquiry, I have already mentioned the derailments that are multiplying at an alarming rate. A short survey of the statistics on this area is convincing. If we are to prevent accidents, strict control and regulations should be established for railways.

It happens too often that railway management is quite astonishingly ignoring railway operations. Economic matters are given priority over security with the results we all know.

Without saying that derailments are due to administrative inefficiency, since various factors sometimes create unforeseeable situations, I maintain that a fair number of them are attributable to exaggerated reductions in maintenance personnel.

The railway representatives say that this reduction was made essential because of technology and that the rails which used to be 39 feet long are now welded over 1,200 to 1,500 feet. Consequently, the rail joints may be checked much faster. Sleepers are made of hardwood processed to last 30 to 40 years, embankments have been widened by a few feet, gravel has been replaced by crushed stone and these are so many factors which should ensure better safety provided the maintenance and surveillance personnel is adequate and judiciously posted and thus in a position to make the required verifications.

No sensible observer will be easily convinced that railway maintenance may be carried out by a team of truckers however well-intentioned.

In order to provide some public explanations regarding the problem of derailments, I would say that they are the result of a lack of co-ordination between locomotive and railway car manufacturers and the companies which use this rolling stock. It is acknowledged that there is an imbalance somewhere. This is a valid reason for the representatives of various areas of the country to point out what they deem to be administrative mistakes that should be rectified prior to the adoption of legislation authorizing the provision of moneys to meet certain capital expenditures of the Canadian National Railways system.

Another important item which cannot be ignored when we speak of the administrative services of the CN is the question of indebtedness. Any firm which has to set aside $75 million of its annual operating income for servicing its debts, should admittedly be allowed a certain period of time "to juggle" with figures.

Under the heading of "*General*", on page 4 of the Canadian National Railways annual report for 1970, it is said that the Canadian National handled a larger volume of business in 1970 than in the previous year and was able to produce increased revenues from nearly all major services. However, the cost of doing business continued to mount as a result of higher wage rates and higher prices for materials and services. Some freight rate increases—applied within the price restraint guidelines set by the Prices and Incomes Commission—plus effective control of expenses and improved productivity enabled CN to offset part of the higher costs.

Following the table showing the revenue increase or decrease as compared with that of 1969, the report continues, and I quote:

The net income before interest on debt—that is, the "operating profit" of the Company—was $45.8 million in 1970. This was lower than in 1969. But it can be considered a good achievement in a year characterized by a slowdown in the economy, strikes in the automobile and pulp and paper industries, and a slackening in demand for automobiles and for lumber and other construction materials, as well as the annual reduction in payments related to the National Transportation Act.

Gross revenues from railway and other CN operations reached $1,167.7 million, the highest in the history of the Company.

On page 6, there is a statement of the amounts of interest due on the debt, and I quote:

Net interest on debt amounted to $75.5 million, an increase of $1.3 million over 1969.

This is rather serious!

As I suggested, following an investigation into the various CN administrative services, it might be possible to find a way to consolidate this debt through long-term loans with as low a rate of interest as possible—something along the lines of loan terms granted to underdeveloped countries.

In Canada, we had the advantage of experiencing several forms of development. Unfortunately, the financial system which creates debts has become an obstacle to our development, with the consequence that many enterprises—our country for one—are faced with the problem of unpaid and unpayable debts.

Even some of our so-called expert administrators feel they are doing quite well when they manage to pay nothing but the interest on the huge debts that are getting bigger. One can easily imagine what would happen if all the citizens had the same approach.

Taking into account the situation and the need to provide passenger service, the Transport Department should look more closely into the decisions made by the management of transportation companies and give the people adequate service.

In closing my remarks, I should like to read from an article that is much to the point, which contains a great deal of facts that sometimes agree and sometimes disagree with the approach taken by the management of our railways. I shall quote an article by Mr. Marice Huot published in *Montréal-Matin* on February 15, 1972.

—the service has alarmingly deteriorated. Does that mean that it could not be improved? We suggest that it can be, if we use our imagination in order to provide passengers with the service they are entitled to expect. In the United States, the passenger transportation service has been put into operation again for some time. Many old outmoded cars were restored, their inside decorated, children playrooms were made out of freight cars which can be coupled on to ordinary trains, such as trains of people going on holiday, thus enabling some families to travel with their children in a more human and more comfortable way. Tracks are improved thanks to more careful maintenance. They changed their staff's uniforms, hired smiling stewardesses like on planes, provided for entertainment such as movies and TV near large centres. Those trains also carry cars of people who appreciate not having to drive over long distances but who use their car once they are arrived. In other words, it is a whole new rail philosophy which has been started in order to make rail travel more competitive, instead of always speaking of abadoning lines, not because they could not be profitable, but because they were made unprofitable through remissness. Henceforth, we should attract the travelling public with pleasure trains. We should make travelling by train a pleasant experience and not a sort of punishment. Let us put as much effort into restoring passenger lines as we do for freight traffic and railway transportation will gain new lustre and activity. In sea transportation the trend is towards cruises; railways also could plan cruises on wheels if they got organized accordingly.

So, I think that Department of Transport officials should keep a close watch on how CNR management plans schedules and makes decisions without consultations, which is far from beneficial to Canadian residents who would sometimes wish to use railway services.

Besides , I was told recently again, "Try to inquire whether there are not people in the management of the CNR who have interests in bus or other means of transportations, as it would seem, from their attitude, that they are interested in people giving up the railway and using other modes of transportation.

I therefore hope the Minister of Transport (Mr. Jamieson) will look after the matter and that we can be assured of having a passenger transport service suitable for the population which has already paid a great deal for it.

• (1540)

[*English*]

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, the measure before us this afternoon, Bill C-4, authorizes the provision of

moneys to meet certain capital expenditures of the CNR system and Air Canada. I would like to say a few words today about the problem of strikes in regard to Air Canada and our airports and some of the conclusions to which I have come, very reluctantly, but which nevertheless I am sure are shared by many Canadians.

It has been a principle with me, as with many Canadians, that the right to strike is a basic right of a democratic society. The right to withhold one's services from the labour market is one that has been built, by our law and customs, into a right which has been respected by all Canadians. There have been problems in connection with the development of this policy: it has not been developed very easily. Resistance to this approach has been very strongly allied to the concept that the right to strike is a fundamental right. But like many rights, it also has responsibilities.

At this stage I want to say a few words about some of the problems that are raised by strikes which have taken place. Whether it is an airline pilots' strike, an air traffic controllers' strike, or the radar technicians who provide service to airports, and whether the employer happens to be with the Department of Transport or Air Canada is really incidental to the purposes for which I want to speak today.

I wish to quote from two letters I received from constituents. The first one is from L. A. McKeown who resides at 473 Mayfair Avenue, in this city. I have chosen this letter because I think it is typical and because I believe the opinions expressed in it are shared by many. It reads:

> I would like to suggest that you re-examine the whole question of the right to strike. In extending this right to strike to essential services you have built the premise on false grounds. The right to strike is not a prime right. There are other rights which have higher priority. When a low priority right runs counter to a high priority right then the lower priority right has to give way.
>
> For instance, national safety has a higher priority than the right of free speech. In the same way private rights have to be tempered when they run contrary to the public good. The freedom to act in any way by any two parties is limited only to the extent that they carry out this liberty in their own back yard and do not impede the liberty of others to carry out their normal and rightful duties. In other words, it has been considered so far permissible for a disagreement to exist between a private employer and employees of that company. The rights of disinterested third parties are usually not greatly inconvenienced too much in such a dispute. For instance, the General Motors strike about 15 months ago meant that I had to buy a Chrysler or Ford product rather than a General Motors product. However, when you give a monopoly to some group then you no longer have the choice of getting a Chrysler or a Ford. One of the responsibilities that a monopoly carries with it is that the monopoly guarantees to provide some particular product or service according to specification and that this security from competition is in return for the contracted monopoly.

The problem here relates to specific groups, in many cases small in number, and the amount of damage they are able to inflict on the public generally. I would also like to quote from a letter which I received from H. Lee Briggs, 2070 Dovercourt Avenue, in the city of Ottawa, as follows:

> Perhaps the issues are most readily identified in the recent strike by the Air Traffic controllers union. In this connection let us try to establish some kind of a financial balance, in the knowledge that dollars are far from everything.

[Mr. Francis.]

> Two years ago there were about a thousand air controllers. On last January 17, 1,750 controllers went on strike. They had largely been trained at the expense of Canadian taxpayers for 14½ months during which training time they received pay at rates between $4,900 and $5,500 per year. Their school training cost the government $4,700 per graduate.

He cites his source of this information.

> Prior to strike, pay rates ranged AI-1, min. $6,962, to AI-9, max. $18,460. I am guessing the average rate of pay on January 17 to be $14,000. DOT payroll (including 23 per cent benefits?) would be some $3 million.
>
> Strike demands were for a 60 per cent increase . . . plus a work week reduction from 35 down to 30 hours. This is $1,800,000 more pay to existing controllers, plus $260,000 for more people. Their demands, then, are $2,060,000. But let us say that they could be willing to finally settle for a mere $1 million. So we have 1,750 DOT employees, $3 million payroll, $1 million minimum demand to go back to work.
>
> Now, Mr. Francis, look what has happened to Canada. Absolutely all commercial flights in or to Canada shut down. Air Canada net loss alone $2 million. Air Canada laid off 10,000 ticket agents, clerficals and related employees at the outset. Air Canada then laid off, 1,000 more of the same. Air Canada cut pay of 3,200 management level employees by 40 per cent . . .
>
> One estimate of Air Canada pay cut off, $2,500,000.

Then he sums it up rather concisely, Mr. Speaker.

> I, a mild mannered conformist from your constituency—

I think he is modest in his description of himself.

> —am constrained to ask the Members of the Parliament of Canada, how does each one of you justify this bloody nonsense:
>
> 1,750 DOT employees. Payroll $3 million. Strike demands initially $1.8 million. *vs.* A loss to the Canadian economy of $60 to $100 million, untold massive inconveniences, tremendous waste of time and effort, layoffs everywhere, pay stoppages, business thwarted except at higher cost, Canada chopped into small segments in midwinter.

• (1550)

My colleague, the hon. member for Northwest Territories (Mr. Orange), described the great hardship suffered by the outlying parts of Canada in the exercise of this so-called right to strike which up to this point I have supported in my public life almost without qualification.

In the *Globe and Mail* this morning a former premier of the province of Ontario was quoted regarding exactly the same subject. He talked in terms of the right to strike of teachers and asked the fundamental question of whether our society is such that teachers can go on strike and say that our children will not be educated until their demands are met. Where does this concept fit into a civilized society? I am not a simplistic person, Mr. Speaker. I have been head of a staff association in the public service and I believe that the right to strike is essential in democratic society in certain circumstances. But I say that in this forum—I know I say it with the agreement of a large number of people in this country—the right to strike by a small number of employees in certain critical areas has to be reconsidered.

Some hon. Members: Hear, hear!

Mr. Francis: There is no question in my mind that an air traffic controllers' strike, followed by a radar technicians' strike, followed by somebody else in a series of rotating

strikes by people given strategic bargaining positions in the economy, to hold the rest of us to ransom is not to be tolerated. I am aware that in periods of inflation strikes are more numerous than at other times. I am aware that in many cases there have been problems regarding the right to organize in many sections of Canada. But we have come a long way down that path.

It is with great reluctance but with a great deal of conviction that I say to hon. members of this House that the right to strike in certain key areas affecting the national health, safety and well-being of Canadians has to be re-examined when it is abused. And in my opinion, Mr. Speaker, it has been abused in the circumstances described.

Mr. John Burton (Regina East): Mr. Speaker, I see that only a few minutes are left before private members' hour and this will not permit me to deal with all the matters I would like to discuss in the debate on the CN financing bill. Some people may wonder why, when the CN financing bill is presented to the House each year, a fairly lengthy debate takes place. I think this happens because of the importance of railways to Canada and the widespread operations of Canadian National Railways in particular. Railways have played an important part in the development of this country since confederation.

During this debate many suggestions have been made for improvement in the operation of the CNR. Hon. members have voiced complaints about its inadequacies. We cannot discuss CN operations and financing, however, unless we look at the over-all operation of railways in Canada, which brings us to consideration of the operations of CPR. It is my view that many of the basic problems of railway transportation in Canada cannot be solved until we have a government with the courage and wisdom to nationalize the CPR and the industrial empire which has resulted from generous grants made when its operations commenced. I think this is the basic step which must be taken, and I think the Canadian people are ready for it. But we need a government with the courage to take such a step which would be in the interest of all Canadians.

One other aspect of railway transportation must be considered during a debate such as this. That is the importance of developing a policy to equalize transportation rates across the country. This matter is of increasing importance because of the development taking place in our economy. A great deal has been said about regional disparities. In my opinion, one of the major contributing factors to this problem is the inequity in transportation costs. It is high time that the National Transportation Act and its concept adopted over the years was scrapped and we developed a policy to equalize transportation costs.

I see that the Minister of Industry, Trade and Commerce (Mr. Pepin) is in his seat. On a number of occasions he has stated that the government is working on an industrial strategy, whatever that might be. A good deal has been said about it, but I shall not go into that matter in detail. However, I think there is general agreement that we need a greater degree of strategy and focus on priorities of industrial development and growth in Canada in the future. We cannot deal with this question, however, unless we also deal with the problem of inequities in transportation costs in Canada.

If we allow the present structure of transportation costs to remain while we develop a new industrial strategy, those regions which already face higher transportation costs than others will still be discriminated against. I suggest that some regions of Canada will suffer under any industrial strategy that is developed unless at the same time there is a change in our transportation policy which will result in equalized transportation costs across the country. This is an important matter which should be noted by the government.

The Acting Speaker (Mr. Laniel): Order, please. It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions and private bills.

PRIVATE MEMBERS' PUBLIC BILLS

TERRITORIAL SEA AND FISHING ZONES ACT

PROVISION TO DISTINGUISH FISHING ZONE FROM TERRITORIAL SEA OR INTERNAL WATERS

Mr. David Anderson (Esquimalt-Saanich) moved that Bill C-11, to amend the Territorial Sea and Fishing Zones Act, be read a second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is a pleasure to come to the House today to discuss Bill C-11. I have presented this bill on a number of occasions. It was introduced in the first session of this parliament, shortly after I was elected, as Bill C-189, in the second session as Bill C-91, and in the third session as Bill C-195—and now it is Bill C-11. My reason for presenting it every session since this parliament began is that despite certain developments which have taken place since 1968, of which hon. members are aware, there is still need to improve our fisheries legislation and to define the limits which constitute Canada's fishing zones.

• (1600)

Before proceeding further I wish to thank two members of the Pacific Trollermen's Association, Dick Williams of the vessel *Seabeam* and his former deckhand, Mr. Meadows, who assisted me over the years with this bill and who took me out on the commercial fishing bank so that I might better understand the point of view and problems of the fishermen. I also wish to thank the fishermen of the west coast for circulating a petition which I presented to parliament two years ago in support of Bill C-91, which is the same bill as the one before us today. That petition, with 33,000 names appended, was the largest petition, I believe, ever to be presented to this parliament. These fishermen played an important part in persuading the government to bring in legislation in this area, specifically the Territorial Sea and Fishing Zones Act of 1970, which has improved the situation over what it was previously

although not to the point that my friends who fish off the west coast of Canada would wish.

I might also mention that the bill has the full support of the Fisheries Association of Canada which, at its annual meeting in 1971, went on record and resolved that Canada, at the 1973 Law of the Sea Conference, should maintain the position that anadromous species of fish are the property of the country of origin and that—

—the ownership of the creatures on and over the continental shelf and slope is vested in the coastal state which is responsible for establishing the regime for conservation and management of those stocks and the fisheries thereon.

That is the point of my bill, namely, extending our present limits for exclusive fishing zones, or exclusive fisheries management zones, from the limit presently set out to the end of the continental shelf. There are difficulties because international law recognizes many definitions of the term "continental shelf." One definition suggests that you can go out until you reach the 200-fathom mark; the second—again artificial—that you go out to the 1,000-fathom mark. A third definition suggests that you should go out until the continental shelf drops off at a certain angle, a number of degrees. Still another definition is that you must consider actual differences in the quality of the seabed and thus determine where the continental shelf ends; that you can tell from the seabed when you come to the edge of the continental shelf and slope. Whatever is decided ultimately, I think that for the purposes of this bill we can safely say that we will go for the limit that is most realistic, which is 1,000 fathoms. We think that is where the continental slope incline increases and that is where the actual limit of the continental shelf ought to be.

The government, two years after I first introduced my bill, brought down the Territorial Sea and Fishing Zones Act of 1970. The Secretary of State for External Affairs (Mr. Sharp) made interesting comments in that debate which I should like to quote. On April 17, 1970, he said, as reported at page 6015 of *Hansard*:

I have made clear, as has the Prime Minister (Mr. Trudeau), that we will not back down one inch from our basic position on sovereignty but there is no interest on the part of the Canadian government in the exercise of chauvinism.

I agree completely with the minister's approach. This bill is not intended to be chauvinistic and is not directed against any nation or group of nations. I feel, however, that this is perhaps the only way in which the resources of the continental shelf and slope, and in particular the anadromous species such as salmon and sea-going trout, or steelhead, can be properly protected. The Secretary of State for External Affairs also said, as reported at page 6016:

—the bill would, in keeping with the government's approach to the question, enable us to separate fisheries jurisdiction from the complete sovereignty which states exercise in their territorial sea and internal waters.

This bill is specifically directed to solving some of our difficulties off the west coast. There are some serious problems that have arisen in connection with fishing on the big bank just off Vancouver Island. Hon. members will recall that on a number of occasions Canadian fishermen were harassed by Russian vessels and prevented from fishing in that area. Furthermore, our fishermen were endangered by what I consider to be reckless practices on the part of the Russians. The upshot was that the Canadian government eventually made an agreement with the Russian government limiting the use by Russian vessels in the waters off the west coast. The Russians agreed not to fish in a certain area. Although that agreement was not of major importance, at least it established a precedent. An agreement was reached with the Soviet government for limiting the activities of Russian fishing vessels off the coast of Vancouver Island beyond the 12-mile limit; in other words, outside the limits established by the Territorial Sea and Fishing Zones Act of 1970. That agreement is particularly important from the point of view of conservation, and has been greatly discussed.

I will not discuss all the problems of the east which are associated with preserving Atlantic salmon. Today, hon. members opposite from the Maritimes asked questions on that very point. I think the situation in the Maritimes is potentially the same as that which exists on the west coast. Our salmon, too, spawn in Canadian and American streams. They, too, go to sea and perhaps join, we do not know where, with other salmon of Siberian and Japanese rivers. We do not know where they go; perhaps, one day, that will be discovered, just as it has been discovered that Atlantic salmon go off the coast of Greenland.

Perhaps when that discovery occurs, on the west coast we will have to consider the same sort of problem that is now being considered on the east coast, because perhaps then our resources will be damaged in the same way by high seas fishing outside our control. We feel that it is important, therefore, that we get going in Canada and establish the right of controlling, for conservation purposes, the species of our continental shelf areas before that happens. This, I know, will be a subject that will concern the Canadian delegation which will be taking part in the 1973 Law of the Sea Conference.

I was rather disappointed to read the article which the hon. member for Comox-Alberni (Mr. Barnett), whom I see sitting opposite, wrote for a west coast fisheries magazine in which he declared that the Canadian position was detrimental to the interests of west coast fishermen. I ought to point out that while there is reason for concern, the minister is aware of the difficulty of the troll fishery off Vancouver Island and has made public statements on the subject. I quote from a press release in which the minister said:

It is fully recognized that a substantial part of the troll fishery off Vancouver Island takes place immediately outside the 12-mile territorial limit (within the outer limits of the continental slope)—

He went on to talk about the Atlantic salmon and pointed out that we must bear in mind that a substantial part of the Danish high seas fishery fishes just outside the 12-mile limit off Greenland. The minister's position is perfectly clear. I should like to read a letter which the minister sent to me. It is dated April 18, 1972, and reads in part:

• (1610)

Dear David:

This will acknowledge your letter of March 17, 1972, concerning offshore salmon fishing.

Canada's position at the forthcoming Law of the Sea Conference is still under development. For your information, I am enclosing a copy of a brief statement on the subject.

Yours sincerely,
Jack Davis

I believe it is important for people on the west coast to know that Canada's position is not firm, as has been erroneously reported, and that the minister is looking for ways to take into account the troll fishery which he mentioned in his press release and letter. I think that if we were able to accept the principle of my bill, which extends the limit for conservation purposes to the edge of the continental shelf, rather than fisheries closing lines plus the 12-mile limit which is in our present legislation, and if we accepted the extension of the principle that outside the present limits there may be areas of the continental shelf which should also be included, we could perhaps solve the difficulty which faces the minister in his attempt to reconcile Canada's position on the east and west coasts.

The bill before us, as I have said, is a proposal that the subject matter be sent to committee, because this is the best that can be hoped for from a private member's bill. I feel that this is a worth-while step toward achieving some sort of reconciliation of position which would be satisfactory to both east and west coast fishermen and would at the same time meet the very real needs of Canada to have a consistent position at the Law of the Sea Conference in 1973.

I believe the difficulties we have faced over the past four years on the west coast and on the east coast underline the need for Canada to continue toward progressive legislation in an effort to increase the area of its jurisdiction. I feel it would be quite fair to claim on behalf of the troll fishermen on the west coast, with their excellent petition to the House which I mentioned earlier, that they have had a large part in achieving the advances of the 1970 legislation. There has been a closure of many areas which formerly were open to people of all nations and which now are restricted to Canadians. I think this is a positive rather than a negative point, that is, that this extension of jurisdiction has allowed us to preserve resources in a way which I believe has been most beneficial to the species concerned.

Even if we extend our jurisdiction further, as I suggest in this bill, we can always permit the fishermen of other nations to come into our area under licence. It may be that they could fish certain species in which we are not interested. Hake is a good example on the west coast. It may be that we could work out co-operative arrangements with these fishermen to take a certain species in which they are more interested than us. The herring fishery is an example where the Japanese are involved. Japanese experts say when conditions are right, and they indeed suggest when the fishermen should set their nets because they know full well the use to which the product will be put in Japan and when the fish are in the best condition for catching.

When I speak of extending exclusive Canadian jurisdiction I do not necessarily mean exclusively for our Canadian fishermen. It may be a good idea to have others come in and help harvest the resources of the sea. If this were done properly, I can see no problem. However, it is necessary to have someone responsible for jurisdiction, regulation and licensing as well as for conservation and the scientific work which must be carried out prior to licensing or regulation.

At present we are in the unfortunate position on the high seas where what belongs to everybody belongs to nobody. No one is interested in doing the scientific work and in spending money, because the people who would benefit might be of another state. If we can extend our jurisdiction to take in our major producing areas, we can perhaps persuade the government to increase the amount of scientific effort. I am sure the government could be persuaded to do so. I feel that when considering this bill—I know I am repeating a point I made earlier—it is not necessary to be too concerned about whether or not at this stage we can define the continental limits. I do not believe it is important at this stage to get too tied up in how this could create other difficulties in respect of our fisheries. I do not believe that it would. However, I feel it is important at this stage to proceed on a principle which the minister himself is on record as favouring, which other parties are on record as favouring and which I have been putting forward in the House frequently over the past four years.

I believe this is a bill which is modest in scope. I believe if we proceed as suggested we can achieve the objective without causing too much difficulty in terms of international retaliation. I agree that it does break new ground. It has certain risks in particular risk to our markets, which I do not wish to minimize; but I feel that in general it is a good idea at this stage to proceed with this legislation, send it to committee and thrash out all the details which, unfortunately, during private members' hour at the end of a week, and perhaps at the end of a parliament, may be difficult to cover. I trust and hope it will be possible for all members to agree with the proposal I have made.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, frequently when members of parliament rise in this House of Commons to speak on an issue which involves the fisheries not all members become as excited about it as I do. Perhaps this is good. Judging from the exchange we have had today and the motivation behind it, we could be taking up all the time of the House of Commons on this issue.

With regard to this bill and the remarks of the hon. member who introduced it, we are involved in an issue which is very fundamental. Although the fishery was a primary industry of what was to become Canada, for a number of years people in the House of Commons have treated the word "fish" as some kind of a dirty, four-letter word which has no relevance and no place in the House of Commons of Canada. We have begun to realize the risk we run in the involvement of other nations in this resource, and that unless urgency is given to the matter we will lose one of the most important and precious resources of the Canadian nation.

The bill introduced by my friend from the most western part of the country hits at one of the most fundamental problems faced by Canada. We stand in this House of Commons day after day, and we stand in committee day after day discussing issues which scratch the surface of such problems as this, and it always bothers me that we do not have more response in a practical way, not only in this government of 1972 but governments of the past couple of decades. I do not say this because the present government is in power.

• (1620)

We have never received from Canada a full response on this very vital issue. I talk to a large number of young people from all across this nation as they visit this House, and also as I travel around the various parts of Canada. They are asking us to see that government responds to the real needs of the Canadian people. I am saying, for the record, that five years from now this government, which is in a position to do something about these problems, as well as the government which succeeds it, will be held responsible by the Canadian people unless we can get a more fundamental response to the major problems of the renewable marine resources of Canada.

The hon. member who preceded me was talking about extending the area of the fishing zones to include the extremities of the continental shelf. On the west coast, Mr. Speaker, the area of the continental shelf is rather small when compared with that of the continental shelf on the east coast. On the east coast it extends as far as 400 miles, and going back to 1944, I believe it was, various countries of the world—from that year until 1958—began to negotiate the rights of the coastal states with respect to the continental shelf.

It was agreed in 1958, in international law, that the continental shelf, as it was defined in the agreement of that year, would belong to the coastal state. So we have a unique situation where Canada owns the ocean floor out to the extremities of the continental shelf, as well as the air space above the water, yet we cannot establish any permanent claim to the resource between the water level and the bottom of the ocean. The result is that we have on the east coast almost every major nation in the world with a large fishing fleet daily harvesting our marine resources.

As hon. members listen to the east coast members from day to day they will learn a little about the problems facing this country. We have the Russian fishing fleet which is the largest fisheries predator on the east coast. A few weeks ago they were present with 75 large vessels. With their very sophisticated equipment, capable of detecting the exact movement of various marine species, they inhabit a fishing area and launch what we on the east coast call gang-fishing. To do this they lie abreast of each other, drop their very sophisticated fishing gear, and in a matter of weeks they clean out a whole area, including the spawning mud and the sands on the bottom of the ocean floor, thereby destroying the resources which should be there forever. This is what is happening on the east coast of Canada today, Mr. Speaker.

There is no need to talk to biologists to see what the results of these actions will be: one can talk to any fisherman. In January and February of 1972 the landings of fish by all the Newfoundland fishermen, with all their fishing gear—this includes the offshore fishermen with their dragging operation as well as the inshore fishermen with their longliners, their $50,000 boats, and the real inshore fishermen with their small boats—was exactly 50 per cent of what it was for the same period in 1971. If that is not of major concern to the Canadian people, then I think we are in the wrong country. I say that as a Newfoundlander.

Day after day we get up in the House of Commons to raise the question of Canada exercising some of the rights it has as a coastal state. One of the rights Canada has which I should like to repeat for the record is that in 1958 at the Law of the Sea Conference at Geneva, the coastal state was given a particular right which stated that if the coastal state, after six months of negotiation with the nations fishing the resources on its continental shelf, could not arrive at a multilateral agreement on conservation and management, then that state had the right to unilaterally impose certain conservation measures.

The condition of exercising such a right was that first of all the state had to indicate there was serious depletion of various species. We know, for example, that on Georges Bank the haddock have disappeared to the extent that even the fisheries people themselves claim they do not expect the species to be replenished by natural process. This is an example of the total destruction of a species. It is a crime against our resources, yet we have the spectre of the Canadian government willing to stand by, despite all its talk about nationalism and foreign involvement in our country, and allow other nations to move in on our shores with sophisticated fishing gear and equipment and devastate our resources.

As a coastal state, Mr. Speaker, we have the right to impose certain conservation measures and we have the right to say to other nations that there are areas which shall not be fished during certain times of the year. We have the right to say there are certain species of fish which are not allowed to be touched because of the threat of depletion. We have the right to say there are certain areas in which we shall impose quotas and allow only certain catches of fish to be taken off our shores. Canada is not threatening to launch a naval war against these countries by merely exercising these rights. We are not forcing them from our coasts altogether. We are only, as a nation, saying that we are not willing to see our fisherman who settled this country back in 1497 placed in a position where their livelihood is completely destroyed.

Perhaps, more important, Canadians who understand the issue, particularly young Canadians, will not be willing to allow nations of the world, including Canada, to destroy for ever various species of fish off our shores. The Minister of Fisheries (Mr. Davis) has got to his feet day after day and has indicated that all these difficulties should await the Law of the Sea Conference. In 1968, when this government first took office, the minister said that a couple of years from now we would hold a Law of the Sea Conference and we would get to the bottom of the problem. We were later told it would be 1972; then 1973. We learned today, Mr. Speaker, there is a very good chance that the Law of the Sea Conference will not be held until 1975; that Canada and the various countries concerned have not even agreed on an agenda and that Canada has not yet settled the position it will present at the Law of the Sea Conference even though a little country like Iceland has already printed in detailed form from its parliament the position they will take at the next Law of the Sea Conference.

There is another matter which ought to be realized. Even if we held the Law of the Sea Conference tomorrow morning, the matter of fisheries and renewable resources would find itself at the bottom of the totem pole because other areas of concern, such as the problems arising from

jurisdiction—the rights of coastal states in these areas—matters of pollution, matters of the disposition of weaponry, and so on, in the coastal areas would find themselves in a position of top priority. We are saying to the Minister of Fisheries and to the people of Canada that this matter has to receive more attention than is now paid to it.

We are also very much aware that the matter of fisheries is not a political issue in this country. We have seven members of parliament from the province of Newfoundland, which I represent, four from Prince Edward Island, 11 from Nova Scotia and ten, I believe, from New Brunswick. We have 37 members from the Atlantic region and six or seven from the province of Quebec—perhaps more than that—and the Gaspé area. The hon. member for Bonaventure (Mr. Béchard) might put the number on record. So we have about 40 members directly concerned with the fisheries.

We are having trouble in the House of Commons and in Canada generally in attracting national attention to a matter which vitally affects the issue of our territorial sovereignty. Unless we can get the Canadian people, particularly members of the government, to respond more readily we shall never get action this year despite the fact that the Secretary of State for External Affairs (Mr. Sharp) is aware of the problem and is concerned about it. In spite of this awareness and concern, he is still not willing to place this question in a position of priority. The Minister of the Environment is not willing to place it in a position of priority. It doesn't have political sex appeal across the Canadian nation; it is not the sort of thing which will "turn on" people in Toronto.

This is a sad story, because regardless of how relevant the issue is—and the Minister of the Environment knows well the consequences of letting this issue go unresolved—we are not going to get action because we have been unable to sell the issue as a major national problem. We cannot get the House of Commons to pay full attention to it because the issue is not one which lends itself to this type of forum. We cannot go into great detail about the type of problems we face because there are so many other issues.

The members of the press, I say with respect, perhaps do not understand the depth or the breadth of the issues and the details involved. We could get up and talk for weeks about these matters, yet we would not get a sentence in the *Globe and Mail,* simply because this issue doesn't have the appeal to the readership of that newspaper. The sad story is that five or ten years from now Canadians will hang their heads in shame when they realize that the original great resource upon which Canada relied at its beginning has been so depleted that it has been crossed off as an economic issue in Canada.

It is shameful that we should stay here day after day and refuse to grapple with the problem. Today we had a typical response from the minister. We have had three examples over the last year which adequately demonstrate the lack of responsiveness of the minister to the Atlantic region. Let me say for the record that, despite the fact that this problem is so critical, the Minister of Fisheries has continually made changes in fisheries policy without any consultation with the Atlantic provinces or reference to his directors and officials in federal offices in the Atlantic region.

• (1630)

Last year the minister was prepared to sign a treaty with the Norwegians which would have allowed them to harvest our resources of seals nine miles inside the 12-mile territorial limit. The minister indicated that this was a trade-off in order to get them out of the Gulf of St. Lawrence. A few weeks ago he introduced several treaties which had the effect of phasing out the operations of several other nations in the gulf. By as late as 1986 the French are to be out of the Gulf of St. Lawrence. Here again there has been no consultation with the provinces or reference to the officials in the Atlantic region.

If the minister were in the House this afternoon he would brag that this is an achievement. The fact is that by 1986 when the French leave the Gulf of St. Lawrence, the gulf will be as dead as the Sea of Gallilee as far as fish are concerned: there will be absolutely no fish left in the Gulf of St. Lawrence.

Today we had an example of the sort of response we get from the minister who has publicly stated that he will eliminate the Atlantic fishery. We know that the Danes have been harvesting salmon on the high seas since 1965, when the famous incident, which has been well quoted both in this House and in recent articles in the press, occurred regarding the discovery of the feeding ground of the Atlantic salmon. Ever since that time we have brought this matter to the attention of the government almost daily, but we cannot get any proof at all that the Secretary of State for External Affairs has laid any material of a substantial nature before the Danes to convince them of our concern.

The minister says that the problem must be resolved through negotiation. We recognize that we are not going to declare war on Denmark, but has the minister on behalf of the government forcefully told the Danes that we are not satisfied with their actions and will adopt certain procedures against them if they will not toe the line? It is Denmark that is the guilty party here. That is the country that is sick, yet the minister is deciding to perform surgery on Canada to cure the illness. We all know there is something rotten in Denmark, but we do not have to amputate the salmon fishery in the Atlantic region to prove the point.

The contention of the minister is that if we cut off salmon fishing in the Atlantic region we will prove to the Danes that we are interested in conservation. Let me tell the Minister of Fisheries, through you, Mr. Speaker, that it will be a frosty Sunday in the Atlantic region when the minister gets our approval of that policy. We will not go along with any such insidious recommendation, one that is born out of an abominable ignorance of the fisheries in our region. We need the support of the Canadian people for our problems.

Several weeks ago there was an incident of intimidation off our coast. I am glad to say that the people of British Columbia did the Canadian people proud last year when they responded to intimidation by a Russian vessel that attempted to ram, or perhaps did even ram one of our vessels. The people of the area and the fisherman came

together and proved that together they were a force to be reckoned with. Unfortunately, our people did not respond recently in the same way. However, we have brought to the House accounts of several incidents in the last few weeks involving Russian fishing vessels off the east coast of Canada intimidating our fishing vessels. One vessel, the *Zonnemaire*—I forget the name of the captain—narrowly escaped being rammed and chopped in two by one of these great Russian fishing vessels off the southeast coast of Newfoundland.

We asked the Prime Minister (Mr. Trudeau) and the Minister of the Environment (Mr. Davis) if they would be prepared to make official representations to the Soviet Union, and I do not know whether anything has been done since. The only thing done of which we do have proof is that the director of fisheries for the Newfoundland area went out in the small boat, that is considered to be a patrol boat but would not survive the Rideau canal on a breezy day, and hove alongside the Russian vessel for three days in an attempt to board the vessel to make an official protest, but the Russians would not even allow the official on board.

Then the vessel had to return and a wire was sent to the Russian vessel stating, "We protest". The director of fisheries indicated that we were protesting their aggression and the Russians wired back, "We have received your telegram," full stop. To me, Mr. Speaker, this is a disgrace. If this incident had occurred anywhere else in the world there would have been a manifestation of grave concern against the aggressor nation. In our case, the director of fisheries at the local level manifests his concern. This is why the people of the Atlantic region are absolutely fed-up.

I am sure that if the Canadian people understood the magnitude and seriousness of the problem and how critical it is to the Atlantic region, they would support any government that showed a little muscle and exercised some control over our resources. The bill presented by the hon. member from British Columbia is a good one. We would like to see something similar along these lines for the east coast of Canada presented by the government. Unless we do, as a governing group we will be held guilty over the next four or five years for the continuing destruction of this very vital resource.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to say a few words in support of the bill introduced by the hon. member for Esquimalt-Saanich (Mr. Anderson). I might say in passing, and in a kindly way, that if he should find himself introducing this bill again in another session I hope he will do something to update the explanatory notes and put them in line with the amendments made to the Territorial Sea and Fishing Zones Act of 1970. The principle of the bill is a very simple one, as the hon. member said when introducing it, namely, that we should establish the principle that our fishing zones extend to the outer edge of the continental shelf.

I should also like to say a few words of congratulation to the hon. member for Gander-Twillingate (Mr. Lundrigan) who has just given us one of his usual vigorous speeches. My observation of him is that he has added a good deal of backbone to the position of the official opposition when it comes to fishery matters since he has been in the House.

[Mr. Lundrigan.]

I recall that in 1964, when the territorial seas and fishing zones bill was introduced, some of us were finding that we had a government which appeared to be nothing but a jellyfish when it came to speaking up on such matters. Unfortunately, we discovered at that time that the spokesmen for the official opposition were very much like jellyfish too. This has always been a matter of great regret to me, because I think that if those of us in this party had had the kind of vigorous support for the point of view just outlined by the hon. member for Gander-Twillingate at that time, we might have been able to convince the government to go a bit further than it did in 1964.

However, I can say at once that I have a very obvious reason for indicating my support for the bill introduced by the hon. member for Esquimalt-Saanich. I placed an almost identical proposal before this House in the form of a report stage amendment to the government bill of 1970. In order to clarify its content, may I refer to *Hansard* for June 4, 1970, where as reported at page 7744 I moved an amendment to the bill which would have substituted for section 4 of the fishing zones act the following:

> The fishing zones of Canada comprise all waters adjacent to the coasts of Canada, the natural resources of whose subjacent submarine areas Her Majesty in right of Canada has the right to dispose of or exploit, and such other areas of the sea adjacent to the coasts of Canada as may be prescribed by the governor in council pursuant to subsection (1) of section 5A.

• (1640)

The somewhat elaborate wording of my motion at that time was based on my desire that there should not be any deficiency in the form of my amendment. I used words which were parallel to those drafted for the use of the government bill on the Arctic waters pollution prevention measure which we had considered at about the same time. The response by the government to my amendment was made by the then Parliamentary Secretary to the Secretary of State for External Affairs, Mr. Jean-Pierre Goyer. In beginning his remarks he said, as recorded at page 7749 of *Hansard* for June 4, 1970:

> Mr. Speaker, the proposed amendment to the bill to amend the Territorial Sea and Fishing Zones Act would in effect extend the fishing zones of Canada to the outer limit of the continental margins adjacent to our coasts.

This pointed out, of course, that my proposal was identical in principle to the one that is now before us. I should like to add a few words to the statement made by the parliamentary secretary at that time. In closing his statement he said:

> —the amendment proposed by the hon. member for Comox-Alberni is premature and incompatible with the imperatives of the present situation.

Unfortunately, so far as I have been able to ascertain the position of the government on this subject has not really altered since that time. Therefore, I am perhaps a little concerned that the bill of the hon. member for Esquimalt-Saanich may suffer the same fate as my amendment in that it will not receive the blessing of the majority of members who support the government.

I am, however, very encouraged that there is an inclination on the part of some members who sit on the same

side of the House as those who occupy the treasury benches to bring forward definitive proposals such as this, from time to time, for the consideration of the House. This is a practice that should be encouraged, because it tends to put real zest and verve into the discussions in this chamber when members put forward ideas which may not necessarily receive the immediate and full blessing of the government.

In his comments earlier, the hon. member for Esquimalt-Saanich made reference to a statement he apparently read in *Western Fisheries*. If I correctly understood the reference he was making, it was based on a release I made on this subject. Let me point out to the hon. member, in view of what he said about my statement, that this release was based on a very careful reading of the text of a statement made by Dr. Needler, who is head of the Canadian delegation in preparatory meetings of the forthcoming Law of the Sea Conference. I do not know whether the hon. member has read that statement, but if he has he will recognize that as far as the statement made by the official spokesman for Canada is concerned it was very clear that in so far as Canada is concerned our position is that there will be no fishing for salmon outside the territorial seas.

That was a matter of very great concern to the salmon troll fishermen on the west coast of Canada. If that was to be the Canadian position, it meant that a very substantial area, including the one to which the hon. member referred, where the Soviet Union has agreed to refrain from fishing, would be out of bounds so far as Canadian salmon fishermen are concerned. I made my comments on the basis of that statement.

Since that time, as the hon. member has quite correctly pointed out, some statements have been made by the Minister of Fisheries (Mr. Davis) which indicate there has been some modification or elaboration of the position stated by Dr. Needler. I will not say this is directly the result of the public position I took on the matter, but I am sure the hon. member would not quarrel with me were I to suggest that the position I tried to put forward then was one that expressed the feeling of west coast salmon fishermen. They could see a very large part of their fishing area going down the drain if Canada took the position in advance that there should be no high seas fishing for salmon bound for our coasts.

I tried to make it clear—and I think this is equally as applicable to the Atlantic as to the Pacific—that none of us in Canada wanted to see this mid-ocean or high seas fishing for salmon taking immature fish. We take the position which is stated in the hon. member's bill and motions I have moved in this House, that species of fish such as salmon which migrate into the oceans of the world to feed and grow are the property of the coastal states in which they spawn and in which the young are reared. This is a compatible position both on the Atlantic and on the Pacific, and if I understood rightly what the hon. member for Gander-Twillingate (Mr. Lundrigan) was saying in respect of his concern, which I share, about the imminent prospect of depletion, if not the extinction of Atlantic salmon, this is a position with which he would agree.

There must be recognition of the need, under some circumstances, for us to harvest our fish beyond the 12-mile zone, particularly species such as salmon. This may have reference only to the west coast, Pacific troll salmon fishery, but the proposal that the waters above the continental shelf and the resources in them should be considered the property of Canada, subject to management and control of marine life and the preservation of the quality of those waters, is so apparent and necessary that I think the Canadian government is foolish in hesitating to state it as the declared position of this country.

The fact that we have, apparently without opposition, a right to the resources lying below these waters makes it an anachronism that what lies above the seabed is not equally our responsibility to conserve and harvest. There may be some circumstances, for historic or other reasons, in which we may have to agree to work out reciprocal arrangements for intermingling our fisheries with those of the United States. I think this is true certainly as between ourselves and the United States on the Pacific coast because of the way our fishing stocks intermingle along the north American continental shelf. With that sort of exception, we must recognize that unless we and other nations are prepared to accept responsibility and assume this jurisdiction, the long-term prospects for the preservation of the living resources of the sea are indeed bleak.

I think I have said all that time permits me to say during this debate. In closing I should like to emphasize that I am happy to support the bill introduced by the hon. member. I concur in his suggestion that it should receive passage and be sent to the appropriate committee for study.

• (1650)

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am pleased to be able to say a few words about this extremely interesting bill which the hon. member for Esquimalt-Saanich (Mr. Anderson) has introduced.

In my opinion, it might seem curious that a member from the national capital area should be interested in problems which have little to do with his own constituency. I should like to congratulate the hon. member for British Columbia who introduced this very valuable bill, the importance of which is recognized by all those who are concerned by this matter of fishing zones and by the Territorial Sea Act.

I also suggest, as the hon. member for Gander-Twillingate (Mr. Lundrigan) stated, that it may not be practical, as proposed in the bill, to establish the continental shelf as a fishing zone. If, in theory, this is feasible, it is very difficult to put this proposal into practice by establishing this sort of fishing zone.

It is also important to remember—and this is the objection which was put forward—that we must take all necessary steps in order to achieve true Canadian independence. We must also remember, however, that we are living in the international community, and that we should never make any unilateral statements nor pass any unilateral legislation on this important matter.

And this is so true, Mr. Speaker, that for many years, the government's foreign policy has always rejected unilateral statements, in order not to raise a general outcry in other countries, because as I mentioned earlier, one must have consultations especially about such an important matter as the one before us. And this is why Canada has such a good reputation in foreign countries: we have never made, during the last 25 or 30 years, any unilateral statements.

Also, when we discussed this important matter in the House, last year or in 1970, I think, at the time when we passed the bill concerning fishing zone limits, we had had consultations with about 15 countries which we were sure would give us their approval—which, incidentally, reinforced our position. In fact, those countries had told us: Go ahead and pass legislation, then we will discuss the other details relating to this important matter, for we have wanted for a long time the continental shelf to constitute the real limit of fishing zones.

The essential thing, in my opinion, is control of the resources which lie between the continental shelf and the water above it. It is far more important for us to control those resources than to adopt the principle according to which we would consider the continental shelf as the limit. This is a very important matter. In fact, it is only following consultation that Canada recently entered into agreements with France and England. Denmark has also been mentioned. I feel that at the Law of the Sea Conference in 1973, we will be able to reach conclusions which will allow us to discuss this important problem and find answers without offending the countries which come to fish in our waters.

Anybody who is a nationalist wishes Canada always to be able to make its own decisions. We wish it indeed. However, as I said, you cannot, in an international community, act unilaterally and pass legislation which normally would suit this country but which might cause prejudice to the countries which deal with Canada.

Mr. John Lundrigan (Gander-Twillingate): You would do better to stick to your profession, doctor.

Mr. Isabelle: Those are the remarks I wanted to make. The hon. member for Gander-Twillingate has just alluded to medicine; I think he should understand. I know that he understands, as I do, that what he said may apply to problems of territorial zones, but that we cannot do as he advocates, as this would jeopardize our country's external policy.

[*English*]

Mr. Lundrigan: The power of diplomacy!

Mr. Speaker: Order, please. The hour set aside for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, April 24, 1972

The House met at 2 p.m.

HOUSE OF COMMONS

TABLING OF THIRD REPORT OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the table the third report of the Clerk of Petitions.

ROUTINE PROCEEDINGS

FISHERIES

ANNOUNCEMENT OF CLOSURES IN ATLANTIC SALMON FISHERY

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I regret to announce the closure of the commercial fishery dependent on salmon runs returning to a number of the famous producing rivers in the maritime provinces. This course of action has been forced upon us by a serious decline in the number of salmon returning to the Saint John, Miramichi and Restigouche Rivers.

Mr. Bell: Shame!

Mr. Davis: Because much of the salmon fishery in the Port aux Basques area of Newfoundland is also dependent on these runs destined for mainland streams, it, too, will be closed beginning in May of this year.

While the situation will be reviewed annually, it is expected that at least one full cycle, namely six years, will elapse before the stocks in these rivers will be rebuilt to the point where large-scale commercial operations can commence once more.

The advice of existing river management committees on which the fishermen themselves serve will be sought not only in respect of the duration of these closures but also as to the manner in which the runs can best be rehabilitated.

Compensation will be paid to commercial fishermen whose earnings are affected by these river closures. Payments will be negotiated on an individual basis and the formula which will be employed will be worked out in close consultation with the fishermen themselves.

These closures will not apply to salmon returning to the streams in Newfoundland and Labrador. They do not apply, also, to salmon returning to the rivers in Nova Scotia.

Historically, the total mainland take accounted for approximately one-half of the over-all catch of Atlantic salmon by Canadians. This volume has been sharply reduced. It has fallen by more than 80 per cent since 1967. On the Miramichi, where escapements formerly were measured in the tens of thousands of large fish, they are now measured in the hundreds.

There are several reasons why our stock of large mainland salmon has become seriously depleted. They are: first, heavy fishing by foreign nations on the high seas; second, heavy fishing by our own commercial fishermen; and third, pollution in some of our own main salmon rivers themselves.

We are moving quickly to deal with pollution. There has been a significant improvement in water quality on the Miramichi, for example. But commercial fishing, especially on the high seas, is another story. In spite of agreements to the contrary, the catch by Denmark alone was four times that of all of our own mainland fishermen last year.

• (1410)

The estimated cost of this program for the current fiscal year, 1972-1973, is in the order of $2 million. Over 900 commercial fishermen are involved. This announcement is being made now in order to avoid unnecessary expenditures by our fishermen in preparing for the Atlantic salmon fishery in 1972.

Mr. Bell: It comes too late. They have already spent their money.

Mr. Davis: I have already made arrangements, Mr. Speaker, to meet with fishermen from the affected areas in Chatham, New Brunswick, on Thursday of this week.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I feel certain that all members of the House who have an interest in preserving the stocks of Atlantic salmon listened with interest to the statement just made by the Minister of Fisheries, which outlines in detail the present government's method of dealing with this problem. We also deplore the fact that this statement has only now been made in the House. The announcement has already appeared in the press and was made known on Friday night's television news. This shows complete disregard for this House, Mr. Speaker.

Some hon. Members: Shame!

Mr. Crouse: Quite frankly, all of us who represent ridings in Atlantic Canada are keenly aware of the need for carrying out salmon conservation policies. However, we in the opposition are deeply concerned about the hamhanded, halfhearted, slipshod restrictions imposed from year to year by this government not only on our salmon fishermen but also on Canadian fishermen in general. We have seen the removal of the sick mariners' benefits, the salt subsidy and the fishing bounty, and restrictions have been

placed on our haddock fishery, our seal fishery, our swordfishing industry and, now, on our salmon fishery.

Some hon. Members: Shame!

Mr. Crouse: The minister has said that this drastic action is forced upon us by the serious decline in the salmon fishery and especially by the heavy fishing by foreign nations on the high seas. This raises the question, Mr. Speaker: When did information concerning Danish fishing for salmon on the high seas first become available? According to an article which appeared in the Saint John *Times-Globe* of June 10, 1965, Mr. Larry Guptill, then the vice-president of the Nova Scotia Salmon Anglers Association, told a meeting in Halifax that the discovery of the Atlantic salmon feeding grounds by Danish seiner fishermen off the coast of Greenland in 1964 would before long do irreparable harm to the Atlantic salmon fishery. This warning was repeated over and over again by representatives of our party from Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island and Quebec, but no action was taken. Even in 1969, Mr. Speaker, when the delegate from Denmark with brutal frankness told the conference of nations that fish for the North Atlantic salmon, "When the salmon are gone, we'll fish for something else", our two Rip Van Winkles, the Secretary of State for External Affairs and the Minister of Fisheries, did nothing.

Denmark has no salmon rivers and the Danes are overkilling salmon which originate in Canada, the United States, the United Kingdom and other countries. This problem, therefore, is an international problem. But owing to blind greed on the part of the Danes, inadequate international law, and a disinterested, lackadaisical Secretary of State for External Affairs, the Atlantic salmon, the king of fish, is threatened with extinction.

Mr. Baldwin: There are too many sardines in the government.

Mr. Crouse: Has the Secretary of State for External Affairs or the Minister of Fisheries taken the time to point out to the Danes that without Canadian, American, British, Irish or Scottish rivers and without the enormous cost that is being paid to protect and improve these rivers, there would be no salmon? Salmon that originate from other countries simply would not be sufficient to maintain world stocks.

The minister has told us that the principal country now, and for some time past taking Atlantic salmon on the high seas is Denmark. However, there are also considerable catches by Norway and by Sweden. Both Denmark and Norway are members of the 15-nation commission known as ICNAF, or the International Commission for the Northwest Atlantic Fisheries. Under ICNAF and NEAFC, the North East Atlantic Fisheries Convention, the North Atlantic fishing nations are pledged to co-operate in protecting and conserving the fish stocks of the North Atlantic. With the facts fully documenting the actual decline of the Atlantic salmon population and with Canada urging a total ban on fishing for salmon on the high seas, are we to take it that ICNAF and NEAFC are no longer operating, or that these countries sign these agreements only as windowdressing while continuing to pillage, plunder and rape our fisheries resources until nothing is left? In fact, the Danes are calling the tune but we are paying the piper.

Some hon. Members: Hear, hear!

Mr. Crouse: Once again this government is engaged in one of its familiar tactics—confrontation with the Canadian fishermen. Being law-abiding citizens they will do as the law dictates, but there is little satisfaction in purchasing salmon fishing gear and in getting a ship ready for the salmon fishing season only to learn that the government has unilaterally decided to close down the salmon fishery and buy up the fisherman's equipment. This action only replaces his capital outlay. It leaves him asking the question, "Where can I go, what can I do now, how will I provide for my own and my family's needs?"

Before this drastic action was taken by the government I believe that a commission should have been established in Atlantic Canada to look into the fisheries problems of that area, with special attention being given to the problems of our salmon fishermen. I also believe that the salmon fishermen concerned should have had an opportunity to be heard and make their wants known, not as the minister stated on Thursday after this *fait accompli*, but before this action was taken.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am sure the hon. member has in mind the provision of Standing Order 15(3) which specifies that a member may comment briefly. The hon. member's interpretation of the word "briefly" may be different from mine, but certainly he should keep that in mind as he brings his remarks to a close.

Mr. Crouse: I thank you for your comment, Mr. Speaker. I have almost concluded my remarks. This government was elected on the promise that it would practice participatory democracy. I think it is high time it started practicing what it preached.

Some hon. Members: Hear, hear!

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, it was rather surprising to find the minister rising in his place today to make a statement on motions on a decision which we all understood was a *fait accompli*. However, I presume he decided the matter was of sufficient importance to formally announce it in the House, even though belatedly. As one who has some interest in and concern for the welfare of the fisheries of Canada, it crosses my mind immediately that this announcement may be a foretaste of similar action on the Pacific coast of Canada. I hope that is not so.

The minister has announced action that can only be described as drastic. It may be necessary. One cannot argue that. It seems to me there are two basic positions that can be taken in light of the continued exploitation of this fishery by the Danes. I expressed one of them in a conversation with an ardent conservationist in the United States when I visited there last fall. He suggested that we have no fishery for Atlantic salmon. I noted that as an American he was part of the people who destroyed their own salmon fishery and perhaps they should not take it too much amiss if Canadians decided what we should do

with ours. In light of the situation that exists I told him that one of the courses Canada could follow would be to take our share while the salmon lasted. This, of course, would be a very difficult decision for us to make. However, I am inclined to say to the minister and the government that unless our action shames the Danes into taking reciprocal action, the only course left to us may be to alter this decision and take what there is left of the salmon while we can get them.

• (1420)

I am somewhat puzzled, in view of the decline in the spawning runs to streams such as the Miramichi disclosed in the minister's statement, that the minister should have made no reference to what is to happen to the sports fishery in those streams. It seems to me his statement is similar to others I have heard the minister make in connection with salmon fishing on the Pacific coast. The only restrictions he seems interested in imposing there are on commercial salmon fishermen. He seems to be of the view that sports fishermen should be allowed to run wild. I should have thought it appropriate for the minister to have referred to what will happen to those salmon which will hopefully still escape to spawn after they are in the streams themselves. To me this is as important as what will happen to them on the high seas.

I know I cannot attribute blame for this situation to this minister.

An hon. Member: Go ahead!

Mr. Barnett: I would remind the House, though, that some of us have been trying to warn those concerned for a long time that this sort of thing would happen unless effective action were taken. When the original North Atlantic Fisheries Commission was established some of us pointed out that its terms of reference were basically inadequate. From my point of view, ever since action was taken to ratify that treaty Canadian governments have been most remiss in pursuing the development of that commission to the point where it would be able to exercise effective control over the catch on the high seas. Listening to the vigorous statement made today by the spokesman for the official opposition, I wished he could have taken the same vigorous approach in 1964 when some of us were trying to prod the government into taking effective action which might have helped to forestall the situation described in the minister's statement.

Mr. Crouse: We did.

Mr. Barnett: There is not much more I need to add. I hope that consequent upon the measures taken by the Minister of Fisheries vigorous action will be taken by the Secretary of State for External Affairs and by the government as a whole to place before the forums of the world the actual facts of what is happening to the marine resources of the oceans and to indicate that Canadians simply cannot tolerate this kind of improvidence and that we are prepared to use any and every means at our disposal to ensure not only in our own interest but in the long-term interests of the human race that the despoilation of the resources of the sea does not continue.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should just like to say a few words on this subject. The minister's statement greatly surprised me and I suppose he had serious reasons for making such a major announcement today. I believe the fishermen affected by the decision are far from happy, even with a promise of compensation. Nevertheless, according to the minister's statement, more than 900 commercial fishermen will be involved, which means that roughly 1,500 to 200 wage earners will need retraining because six years is quite a long period and I believe the families affected by the decision will be in a rather critical situation.

I hope the reasons leading the minister to take such a serious, rigorous decisions are important. I am not sure the minister has given us the exact reasons for his decision, or at least I did not understand them. In fact, there were reports in last week's papers which greatly surprised me. Apparently there are reasons external to the situation and foreign elements have tampered with the spawning sites of salmon.

I therefore urge the minister once more to take whatever steps are necessary and to use his present experience in this region in order to prevent the same thing from happening elsewhere.

* * *

[*English*]

SOCIAL SECURITY

TABLING OF AGREEMENT WITH FEDERAL REPUBLIC OF GERMANY—STATEMENT BY MINISTER

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table, in the two official languages, copies of an agreement between the government of Canada and the government of the Federal Republic of Germany on social security.

Mr. Speaker, in accordance with the terms of the convention, on March 30 in Bonn our ambassador exchanged our instrument of ratification—

Mr. Baldwin: A point of order, Mr. Speaker.

Mr. Speaker: Order. The hon. member rises on a point of order.

Mr. Baldwin: I am just wondering whether the minister is making a statement in addition to tabling the document under Standing Order 41(2).

Mr. MacInnis: We will find out.

Mr. Speaker: Order, please. The suggestion made by one of our colleagues is that we will have to find out. I suppose it would be for hon. members and the Chair to determine whether the minister is making a statement under the appropriate Standing Order, but it might enlighten the House if the minister would now indicate whether he is making a statement.

Mr. Munro: Yes, Mr. Speaker, it is a statement. I must say it is a very short one indeed, just explaining the

agreement in very general terms; it is a couple of paragraphs long. In view of the shortness of the statement and the fact that there is nothing controversial about it I did not distribute copies of the statement.

In accordance with the terms of the Convention, on March 30 in Bonn our ambassador exchanged our instrument of ratification with the German authorities. As a result, the agreement enters into force on May 1, 1972. Under this agreement many Canadian citizens of German origin will for the first time be able to enjoy benefits they earned under German social security schemes before they came to Canada.

The German pension programs to which the convention applies are the wage earners', salaried employees', miners', and the steelworkers' supplementary insurance. The Canadian programs to which the convention has application include the Canada Pension Plan, the old age security plan and the Quebec pension plan. Generally speaking, these plans now provide for the payment of benefits abroad.

The primary responsibility for the administration of the convention has been given to the Canada pension plan branch of my department. In Quebec, the corresponding responsibility for administration has been given to the Quebec pension plan. Advertisements and other public announcements will appear shortly.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I thank the minister for the statement though I regret I did not see a copy of it before it was made. My only comment is that while we welcome the agreement with the federal Republic of Germany it would certainly be helpful for many people resident in Canada if we could have a similar deal with the United Kingdom.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as one who has been pressing for this agreement for a considerable period of time I should like to say that we welcome the fact it has been entered into and that the minister has now been able to table copies of the agreement in the House.

As the minister pointed out, the purpose of this reciprocal agreement is to make it possible for pensions that were earned in Germany to be received by Canadians of German origin who have now become Canadian citizens, and for the opposite to happen if Canadians who earn pensions here move to that country. A great many former Germans who have become Canadian citizens will benefit from the provisions of this treaty, and on their behalf we welcome its coming into force.

• (1430)

I note that the effective date, as indicated by the minister, is May 1, 1972. Many of those who are affected by this arrangement will be sorry the date was not much farther back. Some of them have lost many years of pension rights. Of course, in negotiations there are two sides and I can only assume that the Canadians who did the negotiating got the best deal they could.

Like the hon. member for Lambton-Kent, I express the hope that this reciprocal agreement in the field of pensions, which has now been made between Canada and the Federal Republic of Germany, will be the forerunner of reciprocal agreements with the United Kingdom, France, the United States, Italy and perhaps a number of other countries. I congratulate the minister for having established in his department a division which deals with international social security. This is a field that could become even more important as the years go on. We welcome this announcement today and on behalf of those who will benefit from it we express appreciation that this agreement has been concluded.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

FEDERAL ASSISTANCE FOR RETRAINING AND TRAINING COURSES TO ADULTS IN ABITIBI CONSTITUENCY

Question No. 51—**Mr. Laprise:**

During the years 1969-70 and 1970-71, what was the amount paid by the Department of Manpower and Immigration for retraining and training courses given to adults in the constituency of Abitibi?

[*Translation*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Departmental statistics are collected according to the area served by each Canada Manpower Centre. The constituency of Abitibi covers a part of the territory of four Canada Manpower Centres: Rouyn, Val-d'Or, Roberval and Dolbeau; consequently, it is not possible to supply precise figures on the implementation of the Canada Manpower Training Program in this constituency.

The following table sets out the training expenses incurred and the allowances paid out under the Canada Manpower Training Program. These expenses were met by the federal government for the financial years 1969-70 and 1970-71 in the territories served by the four aforesaid Canada Manpower Centres. The training expenses are estimated and do not include final adjustments and provincial administration costs.

CMC	1969-70 $	1970-71 $
Rouyn		
(a) training expenses	621,935	707,746
(b) allowances	430,152	665,656
(c) total	1,052,087	1,373,402
Val d'Or		
(a) training expenses	486,240	592,439
(b) allowances	793,713	673,515
(c) total	1,279,953	1,265,954
Roberval		
(a) training expenses	267,620	361,825
(b) allowances	667,951	457,787

(c) total	935,571	819,612
Dolbeau		
(a) training expenses	327,929	218,686
(b) allowances	643,132	584,643
(c) total	971,061	803,329

[*English*]

OTTAWA—INSTALLATION OF VIDEOTAPE FACILITIES IN BROOKE CLAXTON BUILDING

Question No. 55—**Mr. Barnett:**

1. Are there facilities in a basement level floor of the Brooke Claxton Building in Ottawa which may be described as a television studio and, if so, when were these facilities installed?

2. For each of the years since the facilities were installed, what has been the annual capital cost?

3. For what purposes have these facilities been used?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Health and Welfare and the Department of Public Works as follows: 1. Yes. These facilities for 1-inch videotape recording were installed in the Summer of 1971.

2. No capital costs since installation.

3. The facilities have been used for the following purposes: departmental staff training; recording of scientific research and experiments; recording of briefing seminars and messages to departmental staff in distant locations; production of videotape programs on department's activities for cablevision broadcast use; production of videotaped programs on behalf of other departments and for Information Canada.

PUBLIC WORKS—LEASE OF SPACE IN TOWER "C"

Question No. 131—**Mr. Coates:**

1. Does the government lease space in Tower "C" in Ottawa and, if so (a) what is the total amount of space leased (b) from whom was it leased (c) for what period of time and at what cost per square foot was such space leased (d) what is the annual rental fee?

2. What departments are presently located in Tower "C", and how much space does each require?

3. (a) Of the space leased, how much is carpeted and how much is tiled (b) of the carpeted space, was it carpeted over the tile or was the carpet in place at the time of rental and in either instance, who was responsible for the cost of the carpet and the laying of same (c) what was the cost of (i) the carpet (ii) laying the carpet?

Hon. Jean-Eudes Dubé (Minister of Public Works): 1. Yes. (a) 486,911 square feet, i.e. 478,911 square feet office space 8,000 square feet storage space. (b) Campeau Corporation Limited. (c) 10 years. $5.77 per square foot for office space, $2.00 per square foot for storage space. (d) $2,763,316.47.

2. Ministry of Transport, 486,911 square feet.

3. (a) 443,259 square feet carpeted; 35,652 square feet tiled; 8,000 square feet concrete flooring. (b) It was carpeted over tile which was already installed before leasing. The cost of carpeting was $428,866.75. Campeau Corporation paid $348,036.20 and the Crown paid the remaining $80,830.55. (c) There is no cost available which separates the purchase price from the laying charges of the carpet.

NOVA SCOTIA—LOCAL INITIATIVES PROGRAM

Question No. 141—**Mr. Muir:**

1. How many projects have been approved for the Province of Nova Scotia under the Local Initiatives Programme, to date?

2. What is the total value of the projects approved and the total number of jobs provided, to date?

3. Of the total number approved, what is the breakdown by federal constituency in Nova Scotia and what is the total value of the projects in each constituency?

4. Of the total number of applications received from the Province of Nova Scotia, how many have been rejected and what is the number of rejections by federal constituency in Nova Scotia?

5. How many additional applications are on hand at the present time from the Province of Nova Scotia, what is the total estimated value of these projects and what is the total number of jobs that would be provided if all were approved?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): 1. The number of projects approved for the province of Nova Scotia under the Local Initiatives Program was 429.

2 and 3.

Constituency	Jobs	Federal Contribution $
Annapolis Valley	462	599,422
Cape Breton-The Sydneys	681	1,057,701
Halifax-East Hants	127	178,790
Dartmouth-Halifax East	355	547,945
Central Nova	449	599,817
Cumberland-Colchester North	535	699,858
South Western Nova	639	836,121
South Shore	501	726,066
Cape Breton-East Richmond	657	938,557
Halifax	926	1,694,907
Cape Breton-Highlands-Canso	1,557	2,483,775
Total	6,889	10,362,959

4. The number of applications rejected, withdrawn and cancelled was 574.

5. Nil.

Note: The above values are the amounts approved for the projects. It is probable that during the contractual negotiations slight variations will have occurred.

PRAIRIE GRAINS STABILIZATION LEGISLATION

Question No. 239—**Mr. Southam:**

1. Is it the intention of the government to introduce in the House, at the earliest date possible, a more acceptable form of the Prairie Grains Stabilization legislation?

2. Before introducing any such legislation, will the government seek the advice of Western farm organizations and Western elected representatives of the people?

Hon. Otto E. Lang (Minister of Justice): Further government action with regard to the Prairie Grains Stabilization Bill which will be made known to the House at the

appropriate time, will be considered in the light of the government's over-all legislative program and will take cognizance of the views presented to government by western farm organizations and elected representatives.

CANADIAN CONTRIBUTION TO WORLD FOOD PROGRAM

Question No. 281—**Mr. Robinson:**

1. What products are purchased from Canadian producers by the Canadian Government for contribution to the World Food Program?

2. Does the government use the World Food Program to provide a subsidy to any producers of commodities or products used in the program?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Wheat (bulk and bagged), oats, barley, flour, beans, peas, skim milk powder, cheese, canned fish, evaporated milk, canned turkey, dry egg powder, dry potato flakes.

2. No.

AIR TRAFFIC CONTROLLERS—INCREASE IN WAGES AS RESULT OF STRIKE

Question No. 300—**Mr. Robinson:**

1. How much of an increase in wages (a) did the air traffic controllers want (b) were they offered?

2. What was the settlement wage to the air traffic controllers?

3. What was the difference in dollars between the amount offered and the amount accepted in the settlement?

4. How much did the average air controller (a) lose as a result of the strike (b) gain as a result of the increase received over and above the amount offered before the strike began?

Hon. C. M. Drury (President of the Treasury Board): 1. (a) The original wage demand of the air traffic controllers was for an increase of 46 per cent on July 1, 1971 and 14.5 per cent on July 1, 1972, for a new contract extending from September 30, 1971 to September 30, 1972. (b) Treasury Board offered the recommendation of the majority report of the Conciliation Board which was as follows: 5 per cent October 1, 1971, 5 per cent July 1, 1972, 5 per cent, April 1, 1973. The union rejected it.

2. On January 22, 1972, both sides agreed to the following settlement: 6 per cent October 1, 1971, 5.5 per cent July 1, 1972, 5 per cent April 1, 1973, which the union said they would recommend to their membership. The membership rejected it. The issue was referred to binding arbitration and the arbitrator's award was the same as the January 22 settlement namely, 6 per cent October 1, 1971, 5.5 per cent July 1, 1972, 5 per cent April 1, 1973. There was, therefore, no difference in the percentage increase but the arbitrator added two additional steps to the salary scales.

3. There was no difference in dollars between the amount offered and the amount accepted in the settlement other than the two additional steps which provide for individual, not general, increases on or after October 1, 1973, for employees at the maximum of their salary scale. In 1973 an estimated 1.2 per cent will be added to payroll costs by the implementation of the new increments.

[Mr. Lang.]

4. (a) The average Controller at the AI-5 working level lost an average of eight working days during the 11-day strike. Based on the old maximum rate of AI-5 of $14,613 this amounts to $499.20 ($62.40x8). (b) Based on the maximum rate of AI-5 on October 1, 1971, July 1, 1972 and April 1, 1973, and calculated on the difference in rate on these dates between 6 per cent, 5.5 per cent, 5 per cent and 5 per cent, 5 per cent, 5 per cent respectively, the average Controller at this level gains $462.25 over the 27-month period of the agreement. Since he lost $499.20 and gained $462.25 he net loss was $36.95.

GOVERNMENT CONSIDERATION OF SINGLE TELEPHONE SYSTEM FOR CANADA

Question No. 365—**Mr. Robinson:**

Will the government consider the advisability of providing a single telephone system for Canada?

[*Translation*]

Hon. Robert Stanbury (Minister of Communications): No, the government is not now thinking of considering the possibility of providing a single telephone system for Canada.

[*English*]

NUMBER OF TELEPHONE SYSTEMS IN CANADA

Question No. 366—**Mr. Robinson:**

1. How many telephone systems are there in Canada?

2. Where is each telephone system located?

3. How many subscribers are there for each telephone system?

[*Translation*]

Hon. Robert Stanbury (Minister of Communications): 1. As of December 31, 1970, there were 1,716 telephone systems in Canada.

2 and 3. Here is a list providing, by provinces and territories, the main available data on these systems, as it is explained in the notes that follow:

Location	Number of Systems	Number of Telephones
Newfoundland	2	135,251
Prince Edward Island	2	34,143
Nova Scotia	66	284,259
New Brunswick	4	225,852
Quebec	43	2,616,323
Ontario	61	3,847,480
Manitoba	2	436,063
Saskatchewan	865	366,510
Alberta	327	742,231
British Columbia	4	1,046,394
Yukon	—	6,833
Northwest Territories	—	8,672

Notes: (a) The above excludes 340 very small co-operatives and independents operating mainly in the province of Alberta. (b) The number of subscribers per system is not available, but the number of telephones per system provides a very close approximation. (c) Where a system operates in more than one province, the location of the head office determines the province in which the system

is counted, but the number of telephones are included under the province in which the telephones are located. (d) The Yukon and Northwest Territories are serviced by Canadian National Telecommunications and by Bell Canada. These systems are reported by their Head Office locations, (Ontario in the case of CNT and Quebec in the case of Bell Canada).

[*English*]

CANADIAN BOOK CENTRES ABROAD

Question No. 374—**Mr. Robinson:**

Will the book centres being established in trade fairs contain only books of Canadian origin in French and English or will Canadian works be translated into other languages as well and, if so, what languages?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Under terms of the recently announced government policy on export promotion of books, it is the intention that book centres will offer for sale any book produced by a legally-constituted publisher who publishes Canadian works which are written or composed by Canadian citizens or persons with landed-immigrant status and the printing and fabrication of which are carried out in Canada.

The Canadian translation of such works shall be carried out by Canadian citizens or persons with landed-immigrant status.

Provided these criteria are met, a book in any language will be admissible. At the present time, it is not known what books are available in various languages or what books will be offered from time to time.

NUMBER OF BUSHELS OF WHEAT IN COMMERCIAL STORAGE, 1962 TO 1972

Question No. 385—**Mr. Horner:**

What was the total amount in bushels of wheat in commercial storage in Canada for each of the years from 1962 to 1972?

Hon. Otto E. Lang (Minister of Justice):

Crop year	Number of Bushels in Commercial Storage in Canada at August 1 (Thousands of Bushels)
1961-62	437,391
1962-63	331,888
1963-64	422,547
1964-65	338,800
1965-66	403,924
1966-67	320,122
1967-68	371,751
1968-69	429,510
1969-70	479,628
1970-71	465,990
1971-72	337,766

INSTALLATION OF ALARM SIRENS

Question No. 412—**Mr. Godin:**

During the last war, did the Canadian Government install alarm sirens in various major cities and, if so (a) how many sirens were installed (b) how many are still in operation (c) what is the annual maintenance cost of these devices and who is in charge of them (d) does the government have to pay a rental fee for the places where these devices are installed?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): There is no record of purchase or installation responsibility for alarm sirens during the last war. However, the Department of National Defence was responsible for the following activities: (a) Ordering the evacuation of an area in the event of actual or apprehended attack; (b) Prohibition of public assemblies if the situation indicated such action was necessary; (c) Ordering the restriction of lighting, flames, etc., or noise which may be of aid or give information to the enemy.

IMPLEMENTATION OF SMALL FARMS DEVELOPMENT PROGRAM

Question No. 420—**Mr. Robinson:**

1. What is the estimated cost to implement a small farms development program on a national basis?

2. Will such a program be carried out by the government and, if so (a) in which provinces (b) what is the proposed allotment of funds to each province?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): 1. The estimated cost of the small farm development program to be implemented by the government is $150 million over seven years.

2. Yes. (a) All provinces; (b) Dependent upon farmer participation.

IDB CONSULTATIVE SERVICE

Question No. 421—**Mr. Robinson:**

Does the Industrial Development Bank provide a consultation service when no loan is given?

Hon. John N. Turner (Minister of Finance): In the course of considering an approach for financing and in processing a loan application, the experience and skills of the IDB staff are available to the potential borrower who often avails himself thereof. Thus, even when an application is declined the Industrial Development Bank may have been of some assistance. Not infrequently the IDB is able to suggest how a weakness in a loan proposal may be overcome.

Recently, the IDB established an advisory services directorate at its general manager's office in Montreal. It is producing a series of pamphlets entitled "Minding Your Own Business", the first of which was a bibliographic reference list for small business and the second discussed the extension of customer credit. Based on the IDB's extensive experience, succeeding pamphlets will deal with other problems encountered by the small businessman in starting up or expanding a business. Response to and demand for the new information booklets has been very encouraging. In addition, seminars on business management, conducted by the IDB, are commencing in smaller

centres across Canada where such a service is not now available.

* * *

QUESTION PASSED AS ORDER FOR RETURN

CANADIAN CONTRIBUTION TO WORLD FOOD PROGRAM

Question No. 303—**Mr. Robinson:**

1. How much has Canada provided to the World Food Program in each year since its inception?

2. What other countries have contributed to the World Food Program and in what amount since the program was instituted?

3. What are the names of the countries now receiving food aid and how much in dollar value is each receiving?

4. What control, if any, does Canada have over the spending of funds in the World Food Program?

5. Are contributions to the World Food Program made in accordance with (a) Gross National Product (b) population and, if not, what criteria are used to determine the amount of the contribution?

6. What is the ratio of Canada's participation to that of the United States in the World Food Program?

Return tabled.

ORAL QUESTION PERIOD

TRADE

CANADA-UNITED STATES—POSSIBLE MODIFICATION OF UNITED STATES POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, since we are not very certain how much longer this session will last, I should like to ask the Prime Minister a question regarding trade with the United States. Has the government been in touch with the government of the United States or its officials to ascertain to what extent, if any, the United States government is prepared to modify its position with reference to Canada on trade matters?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at this stage we are still following up on the decision which was taken when the President visited Canada a week ago. United States officials are doing this at their end and we are doing it at our end. I have discussed the problem with the two or three ministers involved.

STEPS TO ESTABLISH WITH EUROPEAN COMMON MARKET RELATIONS SIMILAR TO THOSE WITH UNITED STATES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a supplementary question to the Secretary of State for External Affairs. My question arises from the position taken by him that the government wishes to set up the same sort of relations with the European Common Market that we now have with the United States. What steps does the government propose to take to establish these relations, whatever they are?

[Mr. Turner (Ottawa-Carleton).]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, more than a year ago we made proposals to the European Economic Commission to establish consultative arrangements such as we have with the United States and Japan. They have taken this matter under consideration and have had a number of meetings about it. I am hoping to have Mr. Dahrendorf, who is the member of the commission concerned with these matters, here in Canada very soon.

* * *

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—DATE OF ANNOUNCEMENT OF POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a related question which I hope will not lead to the same confusion. I should like to ask the Prime Minister whether he can tell us when he proposes to announce the long overdue position of the government in respect of foreign investment? Can he now give us a firm date for this announcement and indicate what form it will take?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it will come sooner and clearer than anything the opposition has said on this subject.

Mr. David Lewis (York South): Mr. Speaker, I should like to ask this supplementary question arising from the Prime Minister's answer. May I ask whether the Minister of Energy, Mines and Resources was stating government plans when he is reported to have said on Saturday to an audience at Elliott Lake that the government policy on foreign ownership would be announced in seven weeks? Was he stating government plans on this matter when he said that?

Mr. Trudeau: Mr. Speaker, I have been informed that the minister made no mention of seven weeks.

Mr. Lewis: Mr. Speaker, in view of the fact the minister felt free to make some suggestion as to time, and without arguing about the seven weeks, despite the answer just given by the Prime Minister will he now inform this House when we may expect that announcement in parliament or outside, whichever the case may be?

Mr. Speaker: It seems to me that the hon. member is reiterating or repeating the question which was asked in the first instance by the Leader of the Opposition.

* * *

TRADE

MEASURES TO CORRECT REPORTED DECLINE IN MERCHANDISE TRADE SURPLUS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister.

An hon. Member: Come on, George. Watch your language.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, as one member of the club to another, I should like to ask the Prime Minister a question. In view of the statement last week by Information Canada in its report to the government that "strong import demand in Canada and a relatively sluggish export growth rate have cut the merchandise trade surplus for the first quarter to $175 million from last year's $637 million", is the government planning to initiate any new trade measures in the very near future to correct this very serious situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, every time the hon. member has prefaced his questions with that type of figure and I have looked it up I have found that he was generally misinformed. This afternoon during the debate the hon. member for Calgary South will put some figures on the record which will certainly show that the misinformation of the hon. member is blatant on economic matters.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, I would simply ask the Prime Minister to refer to the issue of Statistics Canada of last Monday, April 17. He will see that what I have said is exactly what is reproduced there.

Mr. Speaker: Order, please.

Mr. Hees: May I now ask a supplementary?

Mr. Speaker: The hon. member has the floor for that purpose.

Mr. Hees: Thank you, Mr. Speaker. In view of what I have said, will the Prime Minister ask the Minister of Trade and Commerce to get the lead out and give us a little less personality and a little more performance in order that we can have more export trade?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We are obviously reaching the area of debate. I will recognize the hon. member for Hillsborough for the moment and then recognize the hon. member for York South on the next subject.

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EXTERNAL AFFAIRS

SUGGESTED APPOINTMENT OF AMBASSADOR TO EUROPEAN ECONOMIC COMMUNITY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Secretary of State for External Affairs if and when the government plans to appoint or designate a full-time ambassador exclusively to the European Economic Community as other countries have done?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the appointment of such an ambassador is now under consideration.

* * *

TRADE

CANADA-UNITED STATES—ACTION BY UNITED STATES RESPECTING MODIFICATION OF POSITION—POSSIBLE FURTHER CONCESSIONS BY BOTH COUNTRIES

Mr. David Lewis (York South): Mr. Speaker, this question also relates to something with which the Prime Minister dealt earlier. He stated that Canadian officials are discussing how to go about the agreement reached between himself and the President of the United States in regard to trade and that United States officials are doing the same thing. In view of the report on Saturday from Washington that treasury officials have not yet been informed of or asked to consider the agreement reached between the Prime Minister and the President of the United States, will the Prime Minister inform the House whether his statement earlier was merely an assumption that this is being done in Washington or whether there is any actual evidence that discussions are going on?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, it was more than an assumption. Of course, when I said "officials" I did not mention the level of officialdom to which I was referring. I do know there has been communication between the President and his highest advisers on this matter.

• (1440)

Mr. Lewis: Mr. Speaker, in that case can the Prime Minister inform the House whether the discussions have proceeded to the point where meetings are being arranged between Canada and the United States at any level?

Mr. Trudeau: I believe I answered that when replying to the question of the Leader of the Opposition. I remind the hon. member and the House that there was no agreement between the President and myself that there would necessarily be meetings. The agreement was that each side would look at its package, its propositions, with a view to seeing if each side thought meetings could be held and negotiations resumed.

Mr. Lewis: Mr. Speaker, in that case can the Prime Minister inform the House whether the discussions in Ottawa by the departments, ministers or officials have reached the point that he can tell us whether a decision has been made as to further concessions Canada might make and also whether he has any information concerning whether the discussions in Washington among United States officials have reached any point of decision on that line?

Mr. Trudeau: Mr. Speaker, I of course have no means of knowing what point has been reached at the Washington end, and if I have no cause to believe an agreement is possible with them I have certainly no advantage in saying that the government is prepared to make any modification in its package.

Inquiries of the Ministry

CANADA-EUROPE—EFFECT OF CANADIAN DECISION TO EQUIP ARMED FORCES WITH SCORPION ARMOURED VEHICLES

Mr. G. W. Baldwin (Peace River): Mr. Speaker, on the question of trade which has been discussed I should like to ask a supplementary question of the Secretary of State for External Affairs. In light of the deterioration of our trade with European countries, including NATO and ECC countries, will the minister discuss with his colleague the Minister of National Defence, who is also a recycled minister of finance, the situation posed by the Canadian decision to re-equip Canadian forces with lightweight Scorpion armoured vehicles, which is causing some apprehension in Europe as an indication of our physical withdrawal from that area? Will he reassure our friends and partners in NATO that this is not the case?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am sure my friend the Minister of National Defence will read this little speech with the greatest interest.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

SUGGESTED ESTABLISHMENT OF COMMISSION TO EXPEDITE PROCESSING OF CLAIMS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, may I direct a question to the Minister of Manpower and Immigration in charge of unemployment insurance?

As many claimants have much difficulty establishing their right to benefits which are often long overdue, could the hon. minister agree to appoint a board to facilitate contacts between claimants and unemployment insurance officers in regional offices to accelerate the settlement of unemployment insurance claims?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, this is a very complicated question. Tomorrow morning the appropriate officials of the Unemployment Insurance Commission will appear before the standing committee of the House and this will provide the hon. gentleman with an opportunity to cross-examine the officials directly.

* * *

FINANCE

PORTION OF EXCHANGE FUND HELD IN NON-NEGOTIABLE UNITED STATES SECURITIES UNDER 1968 AGREEMENT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Finance. In light of the continued inflow of United States dollars at an increasing rate because of higher interest rates in Canada, would the minister advise whether the 1968 agreement by which the United States portion of foreign exchange funds was desensitized or immobilized in the form of non-negotiable United States securities is still applicable and, if so, what proportion of our exchange funds does this represent?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, without accepting fully the preamble to the hon. gentleman's question, may I say that the agreement reached with the United States in March of 1968 as to our holdings of U.S. dollar reserves is still in force and applicable. I am advised that as of December 31, 1971, we held $2.8 billion of these special issues in United States dollars and they comprised about 51 per cent of our total reserves at that time.

Mr. Lambert (Edmonton West): I have a supplementary, Mr. Speaker. Without going into the figures, has there been an upward revision of that figure and has the minister been able to use this point in discussing the situation with our United States friends?

Mr. Turner (Ottawa-Carleton): There has not been any appreciable change but I would want to assure the hon. gentleman that these holdings are redeemable and that there have been adequate safeguards attached to Canada's freedom to reduce these holdings in the event Canada's level of reserves should alter appreciably.

* * *

CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—REQUEST FOR STATEMENT ON NEGOTIATIONS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Secretary of State. It involves the continuing problems of the CBC. Would the minister undertake to make a statement in the House tomorrow on the results of the mediation of the Department of Labour between the two parties which apparently is going on today?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I know that direct negotiations between the two parties took place today in Montreal in the presence of mediators.

I doubt very much, however, that I shall be in a position to make a statement on this tomorrow or even Wednesday, and I cannot make any commitment to that effect.

[*English*]

Mr. Nowlan: Mr. Speaker, I appreciate that anything the minister gives might be doubtful, but could he please make some type of statement in the House and thus to the country so that we will know whether this continuing problem is costing the taxpayers of Canada more money than it was estimated they would pay for the CBC, or is the CBC saving money and thus the union's back will be broken? At least let us have some demarcation of the interest of the government in this problem affecting the largest Crown corporation in Canada and involving taxpayers' dollars?

An hon. Member: And the hockey games.

Mr. Nowlan: And the hockey games.

[*Translation*]

Mr. Pelletier: Mr. Speaker, I think that what the government has endeavoured has been to promote a settlement of this labour conflict through the action of the Department of Labour and I suggest that this is what the government should be doing.

[*English*]

Mr. R. E. McKinley (Huron): Mr. Speaker, can the minister tell us whether, in the mediation that is taking place, the government is making any new offer over and above what has been previously made in an effort to settle this strike?

[*Translation*]

Mr. Pelletier: First of all, the government does not make offers, Mr. Speaker; the CBC does, just as the union accepts or turns down offers on behalf of its members. All I can tell the House is that there seems to be some progress and that this time the two parties seem to be willing to compromise, which is what we have hoped for all along.

[*English*]

REQUEST FOR PROVISION OF LATE EVENING TELEVISION SERVICE IN NORTHERWESTERN ONTARIO

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I have another question for the Secretary of State. Can the minister report whether or not there is any progress at this time concerning the longstanding request for late evening television service by the CBC network in northwestern Ontario?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Yes, Mr. Speaker. As a result of the many representations made by the hon. members who represent that area, the CBC has decided to extend viewing time in northwestern Ontario, as from May 1.

* * *

[*English*]

INDIAN AFFAIRS

ASSISTANCE BY MINISTER TO JAMES BAY AREA INDIANS IN OPPOSING HYDROELECTRIC POWER PROJECT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Indian Affairs and Northern Development. Has he received representations from the Indians living in the James Bay area recording their opposition to the proposed power development at James Bay and has he been asked by them to help them develop their opposition to the proposal?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have met on several occasions the officials of the Quebec Indian Association who advised me that they were now having discussions with the Quebec government. I offered them my assistance, when requested, and up to now they have not asked me to intervene in the negotiations or consultations. However, whenever they ask me to intervene, I will gladly help them to draw up their position.

• (1450)

[*English*]

Mr. Orlikow: Would the minister look into the claims being made that the discussions being held between the Indians of the James Bay area and the government of Quebec are dealing with a whole host of other questions and not with the problems that will arise out of the James Bay development?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I do not have to establish Indian priorities in Quebec. I know that they discuss other problems than the James Bay development and as I have already stated, I am well acquainted with their discussions. I have met them on several occasions during the past months and if they ask me, I will readily intervene to help them.

* * *

[*English*]

POST OFFICE

SALE OF PRESTAMPED SCENIC POSTCARDS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is directed to the Postmaster General. Can the hon. gentleman inform the House whether the Post Office Department has decided to go into the business of printing and marketing prestamped scenic postcards and, if so, will all merchants engaged in this business have an opportunity to become a part of the process?

Hon. Jean-Pierre Côté (Postmaster General): That requires a long answer, Mr. Speaker. I do not know if it is the Post Office itself that will be doing the printing but we will issue some postcards that will be sold in post offices with the stamps on them. I do not know if these will be printed by the Post Office. I would like to check on that.

Mr. Dinsdale: Mr. Speaker, now that the Post Office has decided to go into this aspect of small business, will the hon. gentleman give an assurance that it will not extend these activities to sundries such as sunglasses and also to ice cream?

* * *

FISHERIES

ATLANTIC SALMON FISHERY CLOSURES—STEPS TO SECURE AGREEMENT WITH DENMARK TO ABSTAIN FROM HIGH SEAS CATCHES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Now that we have imposed restrictions on Canadian salmon fishermen, what immediate steps is the government taking to secure an agreement with Denmark to abstain from catching deep-sea Atlantic salmon?

Inquiries of the Ministry

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have made representations continuously along the lines put forward by the hon. member in his statement earlier when he accused us of not having done so. We have made most vigorous representations and we intend to continue to do so. We are not satisfied with the United States-Denmark agreement. What we want is the exclusive right to harvest the salmon that spawn in our streams. This is the position we have taken and will continue to take. Sometimes I do not understand how the Danish government, which on so many occasions has shown an understanding of environmental problems and so on, cannot accept our position, but I hope our example will inspire it to do so.

ATLANTIC SALMON FISHERY CLOSURES—REASON FOR OMISSION OF NOVA SCOTIA, NEWFOUNDLAND AND QUEBEC RIVERS

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I wish to direct a question to the Minister of Fisheries on the statement he delivered earlier today. Admitting that the salmon rivers of New Brunswick are the largest spawning rivers or, as the minister says, the largest salmon return rivers, will the minister say why there is an outright closure of these rivers and not the slightest restriction, except in one case, on the salmon rivers of Nova Scotia, Newfoundland and Quebec?

Hon. Jack Davis (Minister of Fisheries): First, Mr. Speaker, in respect of Quebec the administration of the Fisheries Act, as the hon. member knows, is delegated to that province.

Mr. Bell: That is not a bad idea.

Mr. Davis: Quebec is taking parallel action in respect to that which we have announced today. With respect to Newfoundland and Labrador, most of the rivers discharging into the North Atlantic are in better shape than the rivers in New Brunswick which are now being closed.

Mr. Bell: Does the minister realize that by this act he has accomplished what the right hon. member for Prince Albert could not do in 1958? He has wiped out every Liberal seat in New Brunswick!

Mr. Speaker: Obviously a number of supplementaries are sought on this subject. I will recognize for the moment the hon. member for Fundy-Royal.

SUGGESTED UNANIMOUS RESOLUTION OF HOUSE ON CONSERVATION OF ATLANTIC SALMON PRIOR TO MEETING OF INTERNATIONAL COMMISSION FOR NORTH ATLANTIC FISHERIES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I wish to direct a supplementary question to the Minister of Fisheries. Would the minister welcome an unanimous resolution of this House, rather like the one passed at the time of Amchitka, about conservation measures for the Atlantic salmon fishery before he goes to the meetings in Washington in May of the International Commission for the North Atlantic Fisheries?

[Mr. Crouse.]

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I certainly would welcome such a resolution and I believe the government would, too. I hope its effect would be more convincing, however.

Mr. Speaker: Order. Again there are a number of hon. members with supplementaries on this subject. Before returning to the hon. member for St. John's East, the Chair will recognize the hon. member for Oshawa-Whitby.

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LABOUR CONDITIONS

PLANT LAY-OFFS AND SHUTDOWNS—ONTARIO STUDY ALLEGING INCENTIVE GRANTS AS CAUSE—REQUEST FOR REPORT ON REASONS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. Is he aware of a study conducted by the Ontario Department of Labour concerning the causes of lay-offs and plant shutdowns in Ontario which reveals that one of the main causes has been the provision of grants to industries by the federal Department of Regional Economic Expansion and by the Ontario government, made for the purpose of establishing new plants in designated regions? If he is not so aware, would he consider asking the Ontario Minister of Labour for a copy of that study so the House could be informed of its contents?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I will ask for a copy, Mr. Speaker.

Mr. Broadbent: Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. Would the minister consider reviewing all the reports prepared by his manpower and consultative service and report to the House on the discovered reasons for lay-offs and plant shutdowns in Ontario and elsewhere?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the hon. member knows how much reading that would entail. No doubt it would discover and bring forth many other reasons for plant shutdowns, including low productivity in certain plants where it should be much higher.

Mr. Broadbent: Mr. Speaker, notwithstanding what the minister has just said, would he at least consider providing the standing committee on this subject in the very near future with information relevant to the causes of the shutdowns?

Mr. Mackasey: Mr. Speaker, any information that would help the hon. member become more intelligent on this subject I would be very happy to provide.

FISHERIES

ATLANTIC SALMON—SUGGESTED ECONOMIC SANCTIONS AGAINST DENMARK FAILING AGREEMENT TO ABSTAIN FROM HIGH SEAS FISHING

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs following upon a previous question put to him. Is he prepared, in the course of his negotiations with and representations to the Danish government, to threaten to impose economic sanctions against that country if it fails to comply with a ban on salmon fishing on the high seas?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, these kinds of methods may be approved by the opposition but my experience is that thay do not work. All they do is create resentment and reduce our bargaining power in the world.

ATLANTIC SALMON FISHERY CLOSURES—ADDITIONAL FUNDS TO PREVENT POACHING AND POLLUTION OF OTHER RIVERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct another supplementary question to the Minister of Fisheries. In light of the regulations prohibiting commercial salmon fishing, is he now prepared to ask Treasury Board to increase the funds whereby we can have proper surveillance of the remaining salmon river in the Atlantic provinces to prevent poaching and pollution which are still a great threat to the existence of Atlantic salmon?

Hon. Jack Davis (Minister of Fisheries): Yes, Mr. Speaker. These requests have been made and we do have additional funds available now for that purpose.

ATLANTIC SALMON—COMPENSATION TO FISHERMEN AFFECTED BY NEW LICENSING PROCEDURES

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to direct a question to the Minister of Fisheries and hopefully it will give him an opportunity to correct the record. In view of the recent licensing procedures announced by his department, can he indicate whether there will be a substantial percentage of Newfoundland fishermen put out of work this year, and whether negotiations have taken place with the province to compensate these people for the loss of their fishing gear, their boats and their livelihood?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the only Newfoundland salmon fishermen affected by today's announcement, will be those in the Port aux Basques area. Meetings have already been held with fishermen's representatives and with the Premier of Newfoundland on this subject.

Mr. Lundrigan: Mr. Speaker, I rise on a point of order. In view of the questions put by my colleague from Saint John-Lancaster and the response from the minister I think I have a legitimate point of order. Hundreds of our Newfoundland fishermen have just received notices that they will not be allowed to participate in the Atlantic salmon fishery this year as a result of the minister's new licensing program. Hundreds of these people have been put out of work. Their boats and gear are lying idle. I contend that on page 2 of his statement the minister without intent, has misled the House, as he did in his answer to the hon. member for Saint John-Lancaster. I ask him whether in fact a considerable number of fishermen have been put out of work by his new licensing program, aside from the effect of his statement today, and have there been any discussions to compensate these people for the loss of their gear and livelihood?

Mr. Davis: Mr. Speaker, there is room for some misunderstanding here. The additional fishermen the hon. member has in mind are those who have full-time employment in other occupations. I assume by that definition they are not put out of work or do not lack an opportunity for other employment. My answer a few minutes ago was tied into my announcement today, that is, in respect of 60 drift net fishermen in the Port aux Basques area.

• (1500)

Mr. Speaker: Order, please. The Chair will recognize the hon. member for a supplementary then go to the hon. member for Yorkton-Melville and return to this subject for further supplementaries later.

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EXTERNAL AFFAIRS

POSSIBLE EFFECT OF UNITED STATES POSITION ON CANADIAN CLAIM RESPECTING CONTINENTAL SHELF

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, this is perhaps a little broader question and relates to a serious problem. Can the Secretary of State for External Affairs indicate whether the American government has taken a position which, if accepted in international law, would seriously jeopardize the claim of Canada over its continental shelf, especially as it pertains to the depth of water which is accepted as our continental shelf, and has the Canadian position been made clear so that we will not lose our claim over that very valuable resource?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have stated our claim very clearly and have not altered our position. Therefore I think that is the complete answer to the question.

Mr. McGrath: What about St. Pierre?

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MANPOWER

TRAINING PROGRAMS—POSSIBLE CHANGE IN REGULATIONS TO INCLUDE HOUSEWIVES AND YOUNG PEOPLE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the high level of unemployment in the country, can the minister inform the House whether it is his intention to revise manpower training regulations

to permit young people and housewives to take advantage of training and training allowances through that department?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I think this would be a desirable step forward and I have asked for a study along these lines by the department. This would require a minor change in the present act, and if later in the session I were to get some indication of speedy passage I would be inclined to advance such a proposal.

Mr. Nystrom: Can the minister assure the House that his department will be in charge of revising these regulations rather than the office of the Prime Minister, in view of reports that Mr. Lalonde is now consulting with some of the provinces—

Mr. Speaker: Order, please. I believe the hon. member for St. John's West has a supplementary to the previous question.

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FISHERIES

ATLANTIC SALMON FISHERY CLOSURES—SUGGESTED REFERENCE TO STANDING COMMITTEE

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is supplementary to one asked earlier of the Minister of Fisheries. In view of the serious effect that the ban on salmon fishery will have on a large number of Canadian fishermen, would the minister consider referring the matter to the Standing Committee on Fisheries and Forestry?

Hon. Jack Davis (Minister of Fisheries): Definitely, Mr. Speaker.

[*Translation*]

ATLANTIC SALMON FISHERY CLOSURES—APPLICATION TO QUEBEC—INDEMNITY PAYMENTS TO FISHERMEN

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I should like to put a question to the Minister of Fisheries.

Since fishermen from Port aux Basques have overfished the Gaspé salmon for the past 10 years, would the minister say whether, in his talks with the Quebec government, it has been agreed that the same bans would apply to certain rivers in Quebec?

Concerning the Atlantic salmon, will fishermen also get some compensation?

[*English*]

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, this matter has been discussed thoroughly with the minister and officials of the government of Quebec. Identical regulations are being invoked but, in so far as compensation is concerned, the initiative would have to come from that province.

Mr. Speaker: Order, please. I shall return to this subject in a short while, but perhaps we should recognize other members who have questions first.

[Mr. Nystrom.]

GOVERNMENT ADMINISTRATION

RECENT APPOINTMENT OF SCOTSMAN TO JOB IN CAPE BRETON—SUGGESTED REPLACEMENT BY CANADIAN

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question is for the Prime Minister. In view of the high rate of unemployment in Cape Breton and the rest of Canada, will the Prime Minister take steps to make vacant the job recently filled by a Scotsman in Cape Breton and make it available by way of application or otherwise to a Cape Bretoner or another Canadian rather than bringing in this import from Scotland when somebody in Canada could do the job?

I rise on a question of privilege—

Mr. Speaker: Order, please. The hon. member rises on a question of privilege.

An hon. Member: Lay it on, Don.

Mr. MacInnis: Mr. Speaker, my question of privilege arises from the attitude of the Prime Minister in not giving any attention to this question, which is detrimentally affecting Canadian citizens. As a result of a personal contact at a party in Scotland a government agency has recently brought a man into this country to fill a job, thereby displacing some qualified Canadian citizen. I think it is time we put a stop to this kind of nonsense. This man should be allowed to go back to his own country and not take a job that a Canadian could fill.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be interested to know if that applies to all new Canadians or just to Scotsmen.

Mr. MacInnis: Mr. Speaker, if the Prime Minister wants a serious answer I suggest that he speak to his colleague on the left. I suggest also that a contact made by a minister of the Crown at a party while overseas should not result in a Scotsman getting a job in Cape Breton.

Mr. Trudeau: Mr. Speaker, I should like to know whether that is the policy of his party—

Mr. Speaker: Order, please. The hon. member for Kent-Essex.

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AGRICULTURE

SUGAR BEETS—ASSISTANCE TO SOUTHWESTERN ONTARIO FARMERS TO RE-ESTABLISH INDUSTRY

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, my question is for the Minister of Agriculture. In view of the reported government grant of $665,000 toward the construction of a sugar refinery in Ontario to process imported cane sugar, can the minister indicate whether the government is prepared to support to the same degree the request made by sugar beet growers in southwestern Ontario for the production of Canadian sugar?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, it would be difficult for the Department of Agriculture or

the Department of Regional Economic Expansion to approve a grant before an application has been made, and no application has been made. The brief that was presented to the government asked for consideration of a long-term international policy or national sugar policy that would maintain the viability of that kind of processing. I have suggested that it has improved substantially since the shutdown in Chatham.

SMALL FARM ASSISTANCE PROGRAM—REQUEST FOR FURTHER CONSULTATION WITH PROVINCES—POSSIBLE PARTICIPATION OF MINISTER IN DISCUSSIONS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, my question is directed to the Minister of Agriculture. In view of the letter the minister received from the Minister of Agriculture for Manitoba, will he reconsider the rather rigid and unilateral approach being followed by the federal government in the small farm development plan and will he hold further consultation with the ministers of the provinces?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the approach taken by the federal government is neither unilateral nor rigid. I am concerned that the provinces have not been willing to negotiate seriously on the division of administrative responsibility, and I think the farmers of Canada are getting tired of it.

Mr. Gleave: If and when the provinces are ready to co-operate and discuss this matter with the federal government, will the minister take part in these discussions and work out a co-operative approach?

Mr. Olson: Mr. Speaker, I wrote to each of the provincial ministers more than eight weeks ago inviting them again to send representatives to enter into discussions, Only two have positively replied. I can say that the door will always be open, but in the meantime it appears that the federal government will have to go ahead and administer this program because the farmers have waited long enough.

Some hon. Members: Hear, hear!

SMALL FARM ASSISTANCE PROGRAM—EXTENT OF PROVISIONS

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Can the minister advise the House what provisions there will be in the small farm development program other than an extension of ARDA services through the provinces and an extension of the Farm Credit Corporation services?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there is so much in there that I am sure you would not permit me to answer the question now.

Mr. Speaker: Order, please. We will have to try to limit supplementaries. Only four minutes are left before the end of the question period and some colleagues around the hon. member for Huron are getting impatient.

Mr. McKinley: Mr. Speaker, I wonder when the minister is going to tell us about that.

Mr. Olson: Mr. Speaker, a pamphlet has already been sent to the hon. member, about 12 months ago, I think.

Mr. McKinley: On a point of order, Mr. Speaker, there is nothing in that pamphlet. I have read it many times and there is nothing in it other than what I have asked the minister.

Mr. Speaker: Order, please. The hon. member for Wetaskiwin.

ESTABLISHMENT OF CRITERIA FOR IMPORTATION OF MURRAY GREY CATTLE

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, I have a non-controversial question for the Minister of Agriculture. Can the minister tell the House what criteria the government will use in processing applications for the importation of Murray Grey cattle from Australia and Tasmania?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, only in the last few days have we confirmed the date when the quarantine station can be occupied, so we have been working during the last two or three days to set down the criteria. Certainly, some consideration has to be given to those people who express interest and who have done a great deal of work in Canada and in Australia to bring the program to the place where we are now ready to approve applications.

• (1510)

Mr. Moore: What proportion of imported animals will be retained either by the federal or provincial governments for experimental purposes?

Mr. Olson: Mr. Speaker, at the moment we do not have any plans for this because, of course, there are some Murray Grey cattle in Canada already with which experiments have been performed.

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HOUSING

REQUEST FOR TABLING OF CHARNEY REPORT ON LOW-INCOME HOUSING—INTRODUCTION OF LEGISLATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is addressed to the Minister of State for Urban Affairs responsible for housing. Since segments of the Charney report indicate weaknesses in the direction of housing programs affecting low income people in Canada, would the minister table the Charney report in the near future?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, it is part of a much bigger report which was asked about in the House the other day and on which the editing has not been completed.

Inquiries of the Ministry

Mr. Marshall: Since it has been indicated that there are 50 copies of the report, containing 90 pages, sitting in CMHC offices, would the minister reconsider his position? Could the minister also indicate when he will introduce legislation in the field of housing arising out of the priorities listed in the Speech from the Throne, since this is a very serious problem for Canadians?

Mr. Basford: Mr. Speaker, there are a number of aspects having to do with housing on which we are consulting the provinces at the moment. As soon as those consultations have been completed, we will begin drafting legislation.

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HEALTH

PORTABLE X-RAY MACHINES—INVESTIGATION OF POSSIBLE DANGER FROM RADIATION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I am sure the minister is aware of reports today from the United States to the effect that the government has been advised to discourage or prohibit the use of portable X-ray machines for tuberculosis detection in view of information that these machines are apparently emitting unsafe amounts of radiation. What steps have been taken by the minister or the department to examine the Canadian situation and ascertain whether a similar danger or hazard may exist in this country?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, under the Radiation Emitting Devices Act we have already passed regulations to control these devices. I realize that in the United States they are imposing all-out bans in some cases. We have an expert advisory committee examining this area and looking at what is happening in the United States and elsewhere. It will be making further recommendations very shortly and, depending on what those recommendations are, we may act. We have the legislative power to act under regulations.

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CANADA ASSISTANCE PLAN

NATURE OF EXTENSION OF WORK ACTIVITY PROJECTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare regarding the announcement he made outside the House last Friday indicating that the work activity projects under the Canada Assistance Plan will be extended so that the federal government will contribute to or will share in the cost of equipment, material and supplies as well as of labour. Can the minister give us some information regarding this extension of the program? Is any set sum being set aside? How much will be allowed to each province? Will this cover provincial and municipal projects, and will it cover capital works projects?

[Mr. Basford.]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, this is under the Canada Assistance Plan and in that sense it is a statutory matter, as the hon. member is aware. It is an open-ended program, so that it is hard to make precise estimates. The amount of expenditure to be incurred at the federal level on a 50-50 sharing basis will depend on the number of projects submitted by provinces over the course of the months. As far as municipalities are concerned, if they want to share in work activity projects and have them covered on a 50-50 basis, they must process their applications through the provinces to us for sharing.

Mr. Douglas: Has the minister in mind any limitation as to amounts per province, or am I to understand that provincial governments may send in a number of projects either on their own behalf or from municipalities and share 50-50 in the cost of projects provided they are putting unemployed persons on welfare to work?

Mr. Munro: That is correct, Mr. Speaker. Provided the applications are processed in accordance with the criteria laid down under the Canada Assistance Plan, we would respond to each of them just as has been the case for several years now, only under somewhat less favourable sharing arrangements.

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STATUS OF WOMEN

GOVERNMENT ACTION TO IMPROVE

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Prime Minister. In view of the great concern by the women of Canada, can the Prime Minister say what he has done for the status of women, with the one notable exception, since he came to office?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Orders of the day.

Mr. Paproski: On a point of order, Mr. Speaker. I am being neither facetious nor political. I am sure the Prime Minister could answer my question with just one simple word—nothing.

Mr. Speaker: Perhaps the hon. member was neither, but he was certainly out of order. Orders of the day.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—ALLEGED FAILURE OF GOVERNMENT TO INTRODUCE MEASURES TO ENCOURAGE INVESTMENT AND CREATE EMPLOYMENT

Hon. Robert L. Stanfield (Leader of the Opposition) moved:

That because the Government has failed to produce measures to create employment, has failed to encourage investment in Canadian industry, and has caused widespread uncertainty as to its economic programs, this House lacks confidence in the ability of the Government to meet the needs and challenges of the seventies.

He said: Mr. Speaker, this motion gives us an opportunity to look at the performance of the government and, hopefully, to provoke some constructive response and constructive action from the government. It gives us a chance to examine how the performance of the government stands up in the light of its mandate which, of course, was a wide ranging mandate given to it by the people of Canada.

The government has spoken of the concept of the just society. Speaking in terms of the economy may I say that, surely, the mandate and responsibility given by the people of Canada to this government involved at least the provision of a reasonable degree of economic opportunity for the people of this country, associated, of course, with a reasonable degree of stability. Surely, Mr. Speaker, the government was given the responsibility to manage the economy, to develop it and to continue the development of the Canadian economy for the good of all Canadians. That mandate, that responsibility, was a broad one. It certainly included the effective and informed management of our economy, together with concern for social justice in Canada which, of course, includes such matters as regional disparity which, by the agreement of all, continues unabated; and this failure is one of the most marked failures of this government.

Of course, the promise went much further. It offered visions of the just society and of a united Canada. The government hinted that it had some secret for getting the economy of the country moving in a way that no other government had ever succeeded in doing. There was to be a new dimension of greatness that the government knew how to tap, if only we could be patient and trusting. Several times since then, of course, the government has told us that we were on the verge of greatness in this country. Somehow, this greatness seems to have escaped us. In view of this falling down on responsibilities, and in view of continuing high unemployment, I think it is kinder to draw a veil over some of these visions. This government has tapped no new veins; it has certainly taken us in no new directions—at least, it has not taken us in any direction in which anyone in his senses would wish to go.

This afternoon I want to look at what the government has accomplished in terms of plain effectiveness, which is a smaller but still very important area, in terms of economic management and in terms of the minimum degree of foresight that one would expect from the government. I have touched upon some of the mandates and responsibilities that the government was given. However, there were other responsibilities, other mandates, other directions, that the government was not given. Certainly, it was not given the mandate to create and maintain, month after month, the most serious unemployment, that this country has seen over a decade.

Some hon. Members: Hear, hear!

• (1520)

Mr. Stanfield: Four years after this government took office following the election, we have seasonally adjusted unemployment at 6 per cent. We have 43 per cent of the massive number of unemployed under the age of 25, although they constitute about 23 per cent of the work force. That in itself would shock any government, except a government as complacent as this one.

Some hon. Members: Hear, hear!

Mr. Stanfield: Forty per cent of the hundreds of thousands of Canadians who are out of work have been so for more than three months. The government did not have a mandate to create and maintain these conditions. It did not have a mandate to use one part of its responsibility, that is to control inflation, as an excuse to slow down the whole process of economic growth in Canada for a substantial period of time with savage consequences for the people of this country.

Some hon. Members: Shame!

Mr. Stanfield: This government did not have a mandate to confront, confuse and harass Canadians in sector after sector of our economy and section after section of our country, discouraging investment and slowing down the rate of investment until, from indications for the first quarter of this year, it now seems that the impulse behind the recovery that was taking place is slowing down while unemployment remains high. Already, the more optimistic forecasts that were made about the real growth of our economy in 1972 are being modified, principally as the result of the failure of investors in this country to respond. This government certainly did not have a mandate to do this. It has done it to the detriment of the Canadian economy and the misfortune of all the people of this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: Of course, the crux of the matter is the existence of massive unemployment in this country where it ought not to exist.

Mr. Guay (St. Boniface): That's not true.

Mr. Stanfield: I am glad my great benefactor and colleague, the hon. member for St. Boniface (Mr. Guay), is here. I was about to do a little reviewing as far back as the summer of 1970.

I found it necessary to call the attention of this government to the serious extent to which unemployment had climbed at that time as a result of the slowdown adopted in 1969. After the budget in the fall of 1970, we expressed keen disappointment over the fact that the government was so complacent and was doing so little to stimulate the economy.

At the beginning of 1971, I felt it necessary to warn the government that unless it took urgent steps to get the economy moving, and we gave some details as to what steps should be taken, including substantial tax reductions, seasonally adjusted unemployment in this country

would not fall below 6 per cent in the year 1971. That prediction was based simply upon the application of common sense to independent forecasts of growth in relation to forecasts of growth in the labour force made by the Economic Council of Canada. Those forecasts were greeted with ridicule by the then Minister of Finance and the government. The complacency exhibited by this government during 1971 was probably without parallel, at least in living memory.

Some hon. Members: Hear, hear!

Mr. Stanfield: They said they were willing to put their jobs on the line that the situation would improve steadily, and that the seasonally adjusted rate of unemployment would fall steadily throughout 1971. They saw no need to change their policies. If we were told once, we were told five times that the corner was being turned or that the corner had been turned. As it turned out, it was not a corner at all. It was simply a vicious circle on which the government had been taking the country round and round.

Some hon. Members: Hear, hear!

Mr. Stanfield: The prediction which I felt necessary to make is, unfortunately, still true today. Unemployment, seasonally adjusted, is still 6 per cent. The government's refusal to do anything adequate last year to fight unemployment was inexcusable. However, in light of its record, I do not suppose it could be called unexpected. For years the Economic Council of Canada had been warning the people and the government of Canada about the growth that would take place in the work force in 1965 and through the years. These predictions turned out to be true. The growth that took place in the work force in 1970-71 was in line with what had been usually taking place each year in this country since 1965.

The decision of the Prime Minister (Mr. Trudeau) and the government to slow down the economy, and thereby create massive unemployment, was especially tragic in Canada in view of the forecast increase in the work force. The increase in the work force makes it much more difficult to catch upon the unemployment once it has been created. This makes it doubly hard for me to understand the complacency with which this government created unemployment in the first place, and then set out to stubbornly resist doing anything about it.

Some hon. Members: Shame!

Mr. Stanfield: The government must have known in advance what was going to happen, but it took no effective measures. Therefore, could we really expect this same government to take effective measures once unemployment had risen to the massive proportions that it did? I suppose, Mr. Speaker, that would be like expecting a turtle to fly.

Some hon. Members: Hear, hear!

Mr. Stanfield: It was much more in character for this government to whine, complain and use the labour force figures for its own political ends and that is what it tried to do. What is it doing now? What has this government been doing recently with regard to the unemployment that has persisted at such high levels? The Prime Minister keeps talking about the thousands and thousands of jobs that are available, if people would only take them. He talks vaguely in terms of a leisure society which is supposedly in the process of being created, almost as if he were admitting that massive unemployment in this country is something planned, something that is associated in some way with progressive development in this country. That is the way the Prime Minister feels. I leave that opinion to be shared only by himself. As for me, his government, it is obviously lost.

It is not only the Prime Minister who is making these aimless statements. It is the government as a whole. There is fairly good evidence of aimlessness in the increasing insistence by various ministers, including the Prime Minister, I think, that we now need year round programs of the sort suggested by LIP, seasonal programs which, at least in principle, have great merit on a seasonal basis. It is now being increasingly suggested that we are going to have these kinds of programs on a year round basis. This is certainly an admission of defeat by the government in its quest for policies to provide jobs.

Some hon. Members: Hear, hear!

Mr. Stanfield: On the basis of the information that has been made public, I think it is clear in Canada today that the sector of the economy that is weakest is the sector of investment. According to the government's own surveys, investment is expected to amount to about the same in 1972 as it was in 1971. It is clear that if there were to be a substantial increase in investment there would be a substantial increase in jobs. To me, it is also clear that the failure of the government to increase investment commitments is a reflection of the lack of confidence by the people of this country in the government of this country; it is a consequence of uncertainties, some of which the government has created and others of which it has deliberately allowed to continue. For the government to say there is a need for year round programs of an improvised type such as LIP is, I contend, an admission of defeat. Not only is it an admission of defeat by the government, it is a herald of ever-larger government expenditures—not expenditures to encourage economic growth and restore a larger measure of confidence, but expenditures brought about merely to prevent the governmental system, or, at least, the system of this government, from collapsing around its head. And, of course, this kind of expenditure to support year round programs of the kind I have mentioned inevitably means higher taxes for the already hard-pressed Canadian taxpayer to bear.

• (1530)

Some hon. Members: Hear, hear!

Mr. Stanfield: Even when its ministers are talking about a year round LIP program, community programs and so on, the government cannot change its bureaucratic spots. Even in this area the big brother attitude remains predominant. If the government feels there are local programs which are desirable and which cannot be adequately financed on a local basis, the sensible thing would be to meet with the provinces and with the municipal govern-

ments with a view to enabling those governments to finance such programs rather than sitting around in Ottawa like a group of big brothers deciding what is good for various local communities. Even in putting forward what the government likes to think is an imaginative, humane program, its members cannot escape from their own tradition of centralization.

The main point remains. The government seems to have virtually given up its attempt, if it ever really made one, to achieve anything like full employment. This is bad enough, but I am afraid there is worse to come. Incredible as it may seem, the government does not even learn from its own mistakes. At least this is true in the case of the Prime Minister who, a few weeks ago, refused to rule out the possibility of following again the same economic policies as he applied back in 1969, if he thought they were warranted. There could be no better example of the crying need for a new governmental approach. There is a crying need for new government leadership. Not only has the Prime Minister and his administration failed to provide positive leadership in encouraging an upward movement of the economy and the creation of jobs, but they are dragging the country deeper and deeper into a morass of uncertainty and confusion.

Some hon. Members: Hear, hear!

Mr. Stanfield: So far, the government and the Minister of Finance (Mr. Turner) have refused to tell members of this House or the Canadian public whether or not a budget will be presented this spring. It should be a full employment budget, if one is brought down at all. I want to be frank about it. I have seen enough budgets presented by this government to know better than to expect that anything of any great value will ever come from a budget presented by them. But the government unquestionably has a responsibility to parliament, and to the people, to present in this House an accounting of its financial expectations for the year in which we are now living, the year 1972-1973, as well as an explanation of its plans for this year, if indeed it has any plans.

Some hon. Members: Hear, hear!

Mr. Stanfield: It should be a full employment budget, if one is brought down at all. Then again, despite repeated promises, monotonous promises, we have yet to see the government policy on foreign investment, yet the Prime Minister keeps telling us it was decided last December. Third, we still do not know where we stand with regard to trade relations with the United States, though the President has made it very clear that substantial differences exist between the two countries.

Mr. Hees: And Mr. Connally.

Mr. Stanfield: My hon. friend mentioned Mr. Connally. But Mr. Connally stayed home, undoubtedly knowing what friendship really means in Canada in view of the Prime Minister's comment on Mr. Connally a couple of weeks ago.

Mr. Hees: Mr. Connally has this government scared to death.

Mr. Trudeau: Don't heckle your leader.

Mr. Hees: The Prime Minister does not even know who is being heckled.

Mr. Stanfield: The Prime Minister is talking again. I thought he might have been reading. We are apparently re-opening negotiations with the United States, or at least we are thinking about it. We are told studies are being made. But from then on, a wall of secrecy comes between us and the facts. At least, it looks like a wall of secrecy from the outside. But I suppose if one were really inside the government it would look more like a swamp than a wall. There have certainly been no indications otherwise, and in the meantime the Canadian economy faces continued uncertainty in this area. This is coupled with uncertainty about the budget and uncertainty about foreign investment.

Next, there is the famous, or rather the notorious, tax reform bill which was passed by the use of closure last year. It was one of the first times a major bill has been passed before it was even ready and we are still waiting for the regulations; we are still waiting for the amendments which the then minister of finance promised would be placed before parliament. Where are those amendments? Rumour has it that there are 100 amendments being considered by the government. The lawyers and the chartered accountants made a presentation which I think involved 300 amendments to that bill. Have these, too, been put away in some pre-electoral limbo where the government would like to keep them safely out of sight while it does its magic tricks during the campaign?

Then, there is the competition bill which is vanishing and re-appearing from time to time. Where does that bill stand now? What are the changes that are going to be made? I think the Canadian people as well as Canadian business have a right to know. Is the bill somehow or other being sawn in two by the government? Are we going to hear a scream one of these days from behind the curtains, so to speak, or is the plan to bring it back some day at the convenience of the government, uncut, to dazzle some and perhaps bedevil others? We can joke about these things, Mr. Speaker, but these are sources of great uncertainty in this country.

• (1540)

I do not want the Prime Minister to think that I am bringing these things up to dissuade him from calling an election, because I think—

Mr. Hees: That would be the best thing that could ever happen to this country.

Mr. Stanfield: I accept what the hon. member for Prince Edward-Hastings (Mr. Hees) says. I am bringing these things forward to show how little can be expected from this government in the future. It has drifted, it is drifting now, and it will continue to drift as long as it is able to cling to power. Instead of performing its duty of removing the uncertainties that exist, the government has been adding to them.

Of course, the Prime Minister has done something. He has moved some of his ministers around. He has given us a very personable Minister of Finance (Mr. Turner). But I must say that while I used to be pretty critical of the

former Minister of Finance, I sometimes regret that he is not still in that portfolio. Because, after all—

Mr. Hees: He would give us some answers.

Mr. Stanfield: No, he would not necessarily give us answers, but he sometimes did admit that he didn't have the slightest idea what was happening. That kind of refreshing candour has completely disappeared. I do not want to accuse the present Minister of Finance of being intentionally devious in his replies, but I have to say to him very bluntly that it is not good enough to go around giving general assurances about full employment and whatnot, while at the same time doing absolutely nothing about it. Any time he finds two or three businessmen gathered together, he joins them to tell them that they are really very fine fellows and to assure them that the government has their best interests at heart.

It is not the personality of this minister or of that one which is really basically at issue. What is basically at issue is the existence of a government whose only consistency is lack of effectiveness and whose only direction is the way in which a ship goes without a rudder. The rudder that is missing is not only personal; we need a commitment to action in the immediate future. We need a commitment to the restoration of confidence and the elimination of uncertainty. In the longer haul we need a real commitment to the development of a long-term strategy; one, for example, which will do something effective to fight regional disparity in this country. After some four years in office, some members of the present government are finally beginning to talk about industrial strategy. They find the phrase apparently popular in some quarters. But what we need is a real commitment, a commitment involving consultation with the various sectors of the economy and with the provinces. We have not had it; indeed, we have seen no sign of it from this government.

Such a strategy must involve several things. I have mentioned regional disparity. It must also include the whole pattern of our trade relations in the future. This involves looking outwards to see that there are prospects in terms of trading and trading blocs. We want something more than the "guff"—if you will excuse me for saying so, Mr. Speaker—that the Secretary of State for External Affairs (Mr. Sharp) has been getting off when he speaks about institutionalizing our relations with the Common Market. When he is questioned about what this means, he says it means establishing the same kind of relations that we have with the United States. We do not need any more of that kind of confusion.

Such a strategy also involves looking inwards at ourselves, at our own potential for specialization and excellence with regard to goods and services. It involves our whole educational system as well, of course, as foreign investment policies. It includes other things too, things relating to our quality of life and the environment. We need a strategy for harmonizing the diversity of the people of this country. It has to include our plans for our north and middle north and the Canadians who want to inhabit those regions, not something that the Prime Minister throws out casually from time to time about some vision of the north. Such a strategy includes all these things, which is why I blame the government for its past and present aimlessness and say that this country can no longer wait for the government to rise out of its lethargy.

Some people say that you cannot do anything about the unemployment which exists in this country, and I am afraid that is the attitude of this government. I sometimes feel the government regards the unemployment that exists as simply something relating to statistics. The government must be completely incapable of imagining the feelings of heads of families who are out of work and of young Canadians suffering frustration. All this has to come to an end. We have to create a climate of confidence in this country. We have to establish a relationship with meaningful consultation between the federal and provincial governments and between the government and various sectors of the economy and society. That condition alone cuts out any possibility of the present government ever achieving anything worth while in this area. It has alienated too many people. This government has sown too much distrust in this country at too many levels.

There are a good many kinds of non-confidence motions, Mr. Speaker, but the one I am presenting today—and I will be just a minute, Sir—is something special. It is not merely a parliamentary motion of non-confidence. The motion that I am presenting represents non-confidence in this government for its past policies and for its future prospects. It also represents non-confidence, lack of confidence, not only on the part of members of this House but also on the part of labour, agriculture, business, all the people of this country who gain their living or are trying to gain it. It represents a lack of confidence on the part of the provinces and regions of this country. It represents a lack of confidence in this government on the part of all the people in this country.

I started today by speaking of the mandate under which this government took power. This government has not only failed to fulfil that mandate; it has broken it by its mismanagement of the economy and by its total lack of sensitivity, its total lack of purpose throughout its life since 1968. The government has broken its mandate and has broken its faith with the Canadian people and, Sir, it is high time it went.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, I want to say something about the needs and challenges of the seventies to which the motion refers, and to try to measure the performance of the government, and indeed of the official opposition, in the light of those considerations. The issues raised in this motion underline the differences in social philosophy and approach between my party and both the government and the official opposition. Like the Leader of the Official Opposition (Mr. Stanfield), we have no confidence in the government's ability to meet the needs and challenges of the 1970's. But I want to make it clear that neither have we the slightest confidence that the Conservatives could possibly do any better.

• (1550)

Indeed, Sir, I remind you and the Leader of the Official Opposition that when you look for a comparable period of unemployment in the post-war period you find it in the years of the Conservative government between 1958 and

1962, so there is nothing in the record to show that the people who produced that mismanagement of the economy and that unemployment then are capable now of acting differently. I look around the leader of the opposition for the wizards of that party who would change the kind of thing it did during 1958 to 1962 and I cannot find them. Despite the charming smile of the hon. member for Prince Edward-Hastings (Mr. Hees), there are no such beings.

Mr. Knowles (Winnipeg North Centre): There isn't even a Wizard of Oz.

Mr. Lewis: Precisely because the Leader of the Opposition emphasized that his motion, since it is moved at this time in this parliament, is not merely an expression of the lack of confidence in this government by members of this House but of the people of Canada, I want to say as clearly as I can that I am no more impressed by the promises of a phony incentive society than I was by the promises of a phony just society which I heard in 1968. We are all for justice and all for incentives, but I ask the same question: Justice for whom and incentives for whom?

It is clear that the Leader of the Opposition is preparing to appeal to the Canadian people for a chance to do exactly the same thing as the government has done, to start on a program of incentives for private corporations, and of that we have had enough. Every year the Minister of Regional Economic Expansion, (Mr. Marchand) the Minister of Industry, Trade and Commerce (Mr. Pepin), the Minister of National Defence (Mr. Benson), other ministers and heads of other departments hand out to the corporations of Canada, most of them foreign owned, literally hundreds of millions of dollars; I am certain if it were added up, more than 1,000 millions of dollars each year, with very little result in jobs or welfare.

Indeed, what we have in Canada today in my view is a corporate welfare program which has produced few jobs and even greater inequality in our society. What we have both from the government and the Conservative side is a promise of more of the same; more concessions to those corporations in the tax field and in other fields. My colleagues and I have no use for that kind of program, whether it comes from one side or the other. If I may, Mr. Speaker, let me put it to you this way. In my view, Canadians have watched the same play for over a century. We have learned that merely changing the cast of characters does not improve the play. Whether the lines are read with Liberal arrogance or Tory incompetence, it still remains a bad play for the life and the people of Canada.

I said during the debate on the Speech from the Throne that the Trudeau years have been wasted years, characterized by complacency, unconcern and cynical statements about the availability of jobs when the Prime Minister (Mr. Trudeau), should have known, if he did not, that for every available job, even if it was available for people out of work, there were 10 or 12 unemployed people looking for work. The reason I have on occasion been bitter and certainly sharp in my criticisms of the government and the Prime Minister, and I admit it, is that it seemed to me there was a complete lack of appreciation of what unemployment means in the lives of people. Tragedy of unemployment, especially for the young, is not only the loss of income, which can be compensated partly by unemployment insurance benefits, welfare payments and the like, it is the loss of status as human beings which enforced idleness produces. I have in mind enforced idleness as distinct from the leisure time about which the Prime Minister talks and cynically equates with unemployment.

Enforced idleness means loss of self-reliance and loss of self-respect. It means loss of meaning and direction in the life of the person out of work. This is the tragedy that this government has deliberately created for hundreds of thousands of Canadians or, if our calculations are correct, for about 2 million Canadians in 1970 and 1971, because about 2 million Canadians were in fact out of employment for one period or another during each of these years. Today, we find that the secondary economic indicators, which originally promised to go up and hold out some hope for a real improvement in the economy, are down, showing that we have not even begun seriously to climb out of the difficulty into which this government deliberately placed us in its futile fight against something it called inflation without, in my view, realizing what the modern society is all about.

What are the needs and challenges of the 1970's? Because time will not permit me to deal with so large a subject fully, I want to suggest to you several obvious and very basic things our Canadian people have to turn to in the years ahead. These are not in any order of priority. First, we must face the fact that the children of the post-war baby boom have reached adulthood and put additional pressures on the labour market and on social needs such as housing, urban transportation and health care.

Second, we have technological developments in our society, increasing automation and cybernation in industry and all services, which affect not only the question of jobs for our people but also the life style of Canadians. They affect the equitable and appropriate division of work and perhaps the reduction of the work day, week or year and, therefore, the need for the creative development of programs for leisure caused by automation and cybernation in present and future years.

Third, we have increasing problems in our urban society; overcrowding, pollution, traffic jams, the lack of urban transportation, the lack of adequate parks and playgrounds for our children, the lack of day care centres for mothers who wish to go on the labour market and the lack of centres for our senior citizens in which they could not only live in decency but also in which they could fulfil themselves through some useful activity in our society. We have the entire complex of oppressive, modern factors endangering life in our increasingly difficult urban centres.

Fourth, we have also the threat to Canadian rural life and rural communities by the growth of corporate farming and by policies, both private by these corporations, and public by this government. These policies are deliberately aimed at reducing our already low farm population, making farming a kind of conveyor belt operation, instead of being concerned with the lives of farming people and the life style of farming communities, which are an integral part of Canada.

• (1600)

Fifth, we have the growing difficulties and dangers of pollution of our air and water caused, I emphasize, not only by industry and not only by vehicles that we may use, but caused also by our failure as a country, a failure mainly due to the inactivity of federal governments, to build the necessary recycling and treatment plants in the communities across this country. In the result, our rivers and lakes, like the Ottawa River next door, are polluted not only by industry but by the very life of the community because we dump our garbage and refuse into the waters which surround our cities and smaller towns.

Sixth, we have the immense problem of the increasing alienation of people in our society as a result of the bigness of our society: big government, big corporations, big unions, big universities, huge cities and the overwhelming and oppressive bigness which modern technological development has produced in our society. To this I add, the failure of governments oriented toward corporations instead of toward the people seriously to look for ways and means in which the people might break through the huge bureaucracy in every walk of life in our present society.

Seventh, we have a continuing problem in holding our country together, not only through new constitutional arrangements because constitutions are not things which hold people together. They are merely a framework which may or may not help. What we need in order to hold our country and people together is an effective attack on regional disparity, an effective attack on inequality across this country and a determined and committed attack on poverty throughout Canada. It is only when we have begun to solve these economic problems that any constitutional rearrangement can serve a useful purpose in holding our country and our people together.

Finally, in the 70's we face the urgent need to end the domination of Canada's economy by foreign corporations, mainly from the United States. This domination endangers not only our economic future, takes from us not only the capacity to shape our own priorities and our own investment direction, but also endangers our political independence if the present continentalist policies of the Liberal party and the Conservative party continue to sell our Canada to the foreign corporations.

It is my belief that these needs and challenges, and many more that I do not have time to enumerate, cannot be met by old methods and old approaches. They cannot be met by the 95 large corporations in this country which finance political parties, as is the situation in respect of this government at least, and probably also of those who face them in the Conservative party. They cannot be met by failure to plan. They cannot be met by a Minister of Finance who says he is not prepared to make any forecasts about what will happen to the economy and unemployment. No one in a modern economy has a right to sit in the seat of the Minister of Finance unless he is prepared precisely to plan the economy of the country and attempt to forecast what will happen as a result of the policies he or his predecessor have introduced. This kind of need and challenge cannot be met by the ad hoc policies of LIP or by the Opportunities for Youth program. It cannot be met by an attitude of government that every time there is a problem the solution is to spend more hundreds of millions of dollars and give those hundreds of millions of dollars to the corporations which failed before and whose hope of succeeding now has no basis except the friendliness which the Liberal party has for the 95 corporations.

[Mr. Lewis.]

These needs and challenges cannot be met unless governments are prepared to plan the economy, have the courage to curb the power of the corporations in the land and have the determination to equalize the opportunities for Canadians across Canada. These needs and challenges cannot be met unless governments have the moral initiative to reform the tax system so that the tax burden on the low and middle income groups is removed or at least reduced; unless governments are ready to see that in a modern economy the fate of the country and the fate of the people, the priorities of the country and the priorities of the people and the problems of the country and the problems of the people are not left to private corporations which are answerable only to their shareholders and themselves and not to the people of Canada and the people of the world.

Therefore, I suggest that if we are to have a policy of full employment in this country, a policy to which my party has been committed from the first day, the governments, both federal and provincial, must become more heavily involved in economic planning by using their powers to direct investment and resources to meet social needs instead of the way investment is now being made. That planning must also seek to make Canada competitive in international markets so that job-creating industries may prosper and create jobs for Canadian workers.

Second, if we are to have a full employment policy, manpower and regional expansion policies must be aimed at long-term development rather than being used as a statistical band-aid to cover up the failures of economic policy by getting people temporarily off the unemployment rolls without giving them real jobs and training them for jobs which are not there. Third, we need to have policies to bring about a substantial reduction in interest rates, particularly for housing and other developments. To expect a wage or salary earner to take a mortgage at over 9 per cent interest I say, as I have said outside the House is criminal in a country as rich as this country is.

We have in this country, finally, immense unfilled needs in the urban centres of Canada which must be met if we are to start reducing the unemployment problem to manageable proportions. Therefore, one of the major components of a full employment policy is a program of low-income housing, urban renewal, municipal infrastructure, urban transportation, anti-pollution and purification plants across the country, centres for the aged in Canada, day-care centres for parents who need a place in which to leave their children while they work, more hospital beds and, even more urgently, chronic care units so that the hospital beds may be released for those who need them, and facilities to assist the disturbed and retarded children, facilities which are now shamefully inadequate for the hundreds of thousands of children who do not have an opportunity.

There should be immediate large-scale tax cuts for middle and low-income families to bring about a signifi-

cant increase in demand for goods and services. In order to make up for the loss in revenue by necessary tax cuts to lower-income families, the anti-social tax concessions and depletion allowances given to petroleum and mining corporations should be abolished. They have received enough of this kind of treatment for too many years. They have reaped huge profits at the expense of the Canadian people. The time has come to think of the people of Canada instead.

• (1610)

Because the question of taxes is not mentioned in the motion of the Leader of the Opposition I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the motion be amended by inserting therein, immediately after the words "Canadian industry," the following words:

"has failed to introduce real reform of the tax system so as to redistribute income and reduce the tax burden on low and middle income groups,"

so, the motion as amended would read:

That because the government has failed to produce measures to create employment, has failed to encourage investment in Canadian industry, has failed to introduce real reform of the tax system so as to redistribute income and reduce the tax burden on low and middle income groups and has caused widespread uncertainty as to its economic programs, this House lacks confidence in the ability of the government to meet the needs and challenges of the seventies.

We have had four years of the complacency and failures of the government following, as I said at another time in this House, the year of the centennial of the creation of Canada as a country, following the hopes and the buoyancy of 1967. I say with broken heart rather than with any glee that the government has failed to live up to the opportunities which were created by 1967, the opportunities which the Prime Minister fooled the Canadian people into thinking the government would be capable of realizing. Mr. Speaker, I agree with the Leader of the Opposition that the government has failed the people of Canada. I merely add that so has the Conservative party throughout its history in this country.

Mr. Speaker: Unless there are any procedural objections taken to the amendment proposed by the hon. member for York South (Mr. Lewis) it will be put to the House at this time. It is moved by Mr. Lewis, seconded by Mr. Knowles (Winnipeg North Centre):

That the motion be amended by inserting therein, immediately after the words "Canadian industry," the following words:

"has failed to introduce real reform of the tax system so as to redistribute income and reduce the tax burden on low and middle income groups,"

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since I represent a constituency with the lowest per capita income throughout Canada, I believe it is my duty to take part in the debate on the motion before us in order not only to criticize the government but also to give it helpful suggestions to improve the situation, especially in my area.

The motion blames the government for having failed to produce measures to create employment, failed to encourage investment in Canadian industry and caused widespread uncertainty.

Mr. Speaker, let us examine very objectively our production possibilities in Canada and let us see whether in the industrial field, it is possible under our present system, to create employment without affecting another field concerning those same industries, namely the flow of production, so as to generate new demand to renew such production and provide steady employment to the labour force.

Mr. Speaker, I should not like to quote figures because it is never interesting for listeners, but I shall refer to the words spoken by the right hon. Prime Minister (Mr. Trudeau) praising the efficiency of our economic system in the production field, when he stated, during a television program in December, that our gross national product was increasing every year in an extraordinary way. He was then quoting the figures published by Statistics Canada and he was perfectly right.

Therefore, all Canadians—industrialists, farmers, businessmen, shopkeepers—manage every year in spite of unemployment, to increase that production which is obviously intended for human consumption. But such consumption is subject to the condition that consumers have the money, the purchasing power needed to buy the things produced for them.

As a matter of fact, Mr. Speaker, there was a time in the history of production when one could rightfully say that production was financing consumption. In those days, the production process was not as modern as it is today, it was not mechanized, and man's muscular strength was used to a greater extent to make the things which were needed. Since then, however, man has put his brain to use and invented machines. There have been improvements in all kinds of areas.

In all sectors of economic activity, manufacturers do not hesitate to dismiss workers when they finally realize that they can obtain absolutely the same results changing something in their production process, whether it be by introducing nothing but a six-inch steel piece in the machine, provided it has been invented. Why? To increase their production, reduce their costs, and market their production on a more competitive basis. You cannot blame them for that!

Progress is here to stay and we should take the necessary steps so that our people and mankind may take advantage of it rather than being victimized by progress.

On a number of occasions, we have suggested in this House various programs to improve our faulty system of production distribution. Such arguments may be laughed at but you should read advertisements in the newspapers. For example, in the first issue of *La Presse* after the strike, there were 70 pages of advertisements. All kinds of products were advertised and offered to Canadians. They were told: they are all for you at reduced prices, at cut prices, etc. And many Canadian women could admire in shop windows products offered at reduced prices. But since their pocket-books did not say they could buy, they could only gaze upon those products and go back home sighing and thinking they could use all those things.

Alleged Failure to Alleviate Unemployment

Mr. Speaker, if the Canadian people could buy from a store or a company that needs to improve such or such an area of its production, this would also help the manufacturer who could, as I said earlier, get new orders and have his industry work at full capacity.

Even if all Canadian companies were dependent on social welfare or received all kinds of grants to produce more and more cheaply, the problem would not be solved. We should take the bull by the horns and organize consumption.

So, if the consumer level is inadequate, measures to finance it must necessarily be taken. I don't know when efficient and realistic action will be taken in this field.

The government is now acting, but only in a piecemeal fashion. For instance, the Local Initiatives Program, involving expenditures of $150 to $200 million is a mere drop of water in the ocean. Many municipalities have proved that they had prepared worthwile projects.

A short while ago, the hon. member who spoke before me mentioned all kinds of public works which the public has been requesting for years. He is right and I believe that carrying out public works brings about automatic distribution of buying power, making purchase of consumer goods possible, whereas public works are not consumer goods. They can be used, but not consumed. Therefore, through an increase in the volume of our public works we would be distributing more money by way of salaries, buying power, thus ensuring a greater input of orders to industries, and our economy would expand anew.

In fact, many applications submitted by municipalities or local agencies under the Local Initiatives Program have been rejected.

• (1620)

I have here a letter dated March 14, 1972, from Mr. Chevrier, the assistant in the minister's cabinet, in which he simply replied as follows:

This replies to your letter of February 25 concerning project 212-788—Corporation of the Village of Saint-Anselme. We are sorry to inform you that the project has not been accepted by our department.

As you certainly know, this program aroused great interest throughout the country, and we received over 13,000 applications.

They received 13,000 applications because there were 13,000 areas of need. All 13,000 applications were not answered. I go on quoting:

Among the great number of valid applications, we had to choose carefully, taking into account the criteria you know of—

—I surely know them—

—and the budget allocated to us.

I do not approve of this too much. If we have to submit to the will of those who control the nation's credit in order to grant permission and to execute certain projects, I do not agree. The letter goes on:

For those same reasons, a number of valid projects like yours will not receive financial assistance from our department.

Like several other members of this House, I talked on several occasions to the various ministers concerned to ask them to give the Minister of Manpower and Immigration (Mr. Mackasey), who is responsible for this program, additional funds which would allow him to accept a greater number of valid projects from municipalities, such as the building of sewage systems, culverts, municipal parking lots, or community halls. All those projects are stalled through lack of funds.

Mr. Speaker, if we get a little closer to the immediate, we see that they are now considering applications under another Opportunities for Youth program, and in a communiqué that the minister has sent us, it is said that 19,000 have been received. This means that young people are prepared to stop, think and prepare projects enabling them not only to earn a few dollars during the summer holidays, in order to get back to college next fall, but to get involved with community life; they are prepared to assume responsibilities, to prove to us that we did not bring them into the world for nothing, in short, they are ready to undertake something.

But concerning these 19,000 applications, to my great surprise, I received recently a communiqué saying that about 3,000 will be accepted; so, 16,000 will remain. This number, in my view, is far too high. If 16,000 were accepted and 3,000 discarded, I would then say that at least considerable efforts have been made. But in view of the figures that we have been given and because they say that they lack money, I do not agree. I cannot believe in such reasoning because, in a way, such credits are nothing more than figures. When you look for these credits elsewhere, you only bring back figures. Then they will make us the following reproach: those well-known Social Credit party members do talk a lot about credit, they do talk often about money. Mr. Speaker, who does not talk about them?

Everyday in the private sector we can see banks welcoming customers who want short or long term credit. They borrow from a caisse populaire thus they get credit. Then, everyone talks about credit, but it is rather a debt credit. This is acceptable in the private sector because if you lend to a Canadian some of the money you earned you only lend him the product of your work.

But when it comes to Canada being compelled to kowtow to those who forge figures, who demonstrate the credit in Canada, who happen to mint the credit, the products and the work of Canadians, there I do not agree.

It is this credit indebtedness that we are opposing and we would like, at last, to see in Canada a credit system that would be of effective service to the people. This is why Major Douglas in his reform philosophy spoke of social credit since that sort of credit would benefit society.

Mr. Speaker, I have perused several reports in the last few weeks. I am going to comment on what I am conversant with and not on something I do not know. I have noted that in Quebec, the forest industry is in a sad state. Trees are chopped down as if we were the last generation, as if none would follow us, as if the world would end there and then, when it is a fact that the end is not yet in sight and that we should develop our national resources in such a way as to ensure not only their permanence but their increase.

I had then suggested that during the summer holidays young and willing people should be sent to work and

make the forests grow. This would create jobs they could fill and come to like; they would live in harmony with nature and discover what our natural resources are. And instead of only sowing the seeds of discontent in their hearts, we would teach them to love their country.

Mr. Speaker, I am sorry to see how we fail sometimes to shoulder our responsibilities and that some of our leaders behave irresponsibly, availing themselves of a difficult situation to exploit violence and train the young to bring down our institutions.

I once met a group of young people and told them that instead of bringing down everything, they should find out where the deficiency lies and the reason why they are unable to develop in a normal way.

I also gave them the following comparison: Suppose we are in a house in which the temperature is only 55 degrees, while it is 30 degrees outside; 55 degrees inside is not particularly comfortable—it makes us shiver. So we first notice that we are not comfortable because the heating is defective. Well, somebody decides to stir up all the people there, to convince them to demonstrate and break the windows. Do you think it is going to be warmer in that room afterwards? They answered: No. It is not by demonstrating or breaking windows that we can solve the problem; we have to get to the bottom of things.

So I told them this: Let us go down to the basement and have a look at the heating installation so we can find out where the defect lies, and once we have discovered whether there is power to activate the fan, to activate the pump, we may discover that the furnace is in good condition, but the oil only comes drop by drop—and the furnace can only burn whatever oil it gets. So let us check the oil pipe to find out where the defect is.

Through checking this, we end up in our neighbor's basement, and there, we inquire from him and learn that he is in the same situation. We follow up along the oil pipe which feeds the furnaces in the third and fourth houses, and find that the situation is the same everywhere.

At one point, we discover that an invisible control regulates the oil supply to all the furnaces, and that there lies the cause of the trouble.

So I told them that instead of breaking windows they should air their grievance against the invisible hand preventing oil from reaching burners which would enable furnaces to function and to satisfy everybody.

Mr. Speaker, these young people understood me very well. I wanted them to get to the core of things so as to speak against what prevents us from living a normal life, not to destroy the social structure, the society which our forefathers have succeeded in erecting but in improving the structure by adding another story which would give them room to have their place within security and freedom.

• (1630)

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, to listen to some of the doom and gloom from the other side of the House, one would assume that all is lost.

Mr. Stanfield: It is, for the government.

Alleged Failure to Alleviate Unemployment

Mr. Perrault: One would assume that Canada is a depressed area in a world of abundance, prosperity and full employment. If one were to believe all these emotionally charged and highly inaccurate statements, one could only conclude that Canada, since 1968, has been one of the great disaster areas of the world of all times.

Mr. Stanfield: The hon. member's dates are wrong. He should have said, since 1963.

Mr. Perrault: Today we have heard the same old theme. The Leader of the Official Opposition (Mr. Stanfield) seems to take special pleasure in picking through the entrails of every statistical report produced by the government or any other source, to see if he can discover any portents of a cataclysm to come.

Mr. Baldwin: He does not need to do that. He can smell it.

Mr. Perrault: Every effort is made to place the worst possible construction on every statistical analysis. A few minutes after beginning his speech, after having talked about gloom and disaster of the kind that would send most Canadians, if they were not true optimists, to the top of the next hill to await the end of the world, the hon. gentleman called for the restoration of the spirit of confidence in Canada. He must know, surely, from experience that, in order to create a climate of confidence in Canada, we must create the psychology of confidence, and this psychology involves all levels of government, the private sector and even opposition leaders. These irresponsible opposition attacks reflect either malicious mischief, or they reflect an abysmal ignorance of what has been happening in Canada and a lack of comprehension of the problems facing Canada.

The fact is that Canada is held in enormous respect abroad.

Some hon. Members: Hear, hear!

Mr. Perrault: The Leader of the Official Opposition knows this, and Canadians know it. Happily, the people of this country have confidence in Canada, to a considerably greater degree than has the opposition. We are regarded as a nation which, despite very serious world economic conditions in the past five years or so, has weathered the storm better than almost any other country. Those who engage in a non-stop attack on the Canadian government for its failure to solve all of our economic problems should explain to the people of Canada why, just a few weeks ago, the *Financial Times* of London awarded Canada its economic Oscar for the world's best economic performance in 1971.

Some hon. Members: Hear, hear!

Mr. Perrault: Yet, you know, Mr. Speaker, the opposition hawks calamity in every speech and every statement in this House.

Those critics who seem to believe that the government and the Prime Minister are fair game for any kind of irresponsible comment should be reminded that the Organization for Economic Cooperation and Development rated Canada's economic growth in 1971 as one of

the greatest in the world, at a time when the principal markets for Canadian products experienced a slowing in growth, if one includes Britain, West Germany, Italy, Sweden, Belgium and the Netherlands as well as Japan.

An hon. Member: There is lots of work in Japan.

Mr. Perrault: Canada, as the world's fifth largest exporting nation, depends for much of its prosperity and employment on the state of world markets. Everyone knows this; yet opposition critics talk as if the state of the world is the government's fault. This is utter nonsense. The fact is that this world of ours has been through an extremely difficult period in the past five or six years. Perhaps not since the great depression have there been so many economic challenges for the nations of the world to meet. Yet, as the *Financial Times* of London says:

Canada's industrial output has risen faster and prices have risen slower than in any other democratic country on the face of the earth.

Yet, the opposition tells us that it is ashamed of this kind of economic performance. It is to the credit of the Canadian people that, despite the attacks we have heard from the other side, this goal has been reached. The barrage of criticism continues. They said, "Why haven't you solved unemployment," and, "Why does inflation continue?"

I should like to say something about unemployment. The Leader of Her Majesty's Official Opposition spoke about a plan for more employment. However, that is a plan which he carefully concealed from the people of Nova Scotia during the years when he was prime minister of that province. The present record of job creation in this country makes his Nova Scotia statistics look abysmal in comparison. There are questions asked about unemployment and inflation which cannot be answered by the Government of Canada alone. The Government of Canada, as the Leader of the Opposition well knows, possesses no bank of levers which can be pulled in some sort of miraculous sequence and achieve, simultaneously, full employment, stable prices and unbounded industrial expansion. That can come about only through co-operation between governments at all levels and with the private sector.

• (1640)

We know that provincial governments, in conjunction with their municipalities, collect more money and spend more money than does the federal government. Only through co-operative efforts by governments at all levels, the private sector, trade unions, agriculture and so on, can we meet our economic goals. While we still have some distance to travel toward those goals, and other speakers will deal with the economic aspects of this resolution later, this country of ours, despite the blue ruin gang, has been doing much better than anyone thought we could. In fact, our economy has been growing at a fantastic clip. It has been growing at a rate twice as fast as that of the United States. In fact, it has been outstripping the United States ever since the present Prime Minister assumed office in 1968. In March, 8,016,000 Canadians were working. Between 97 and 98 per cent of heads of families were working. Unfortunately, some are not working. For them, this represents a real tragedy. We have to work together co-operatively in our society to provide opportunities for them. There are 336,000 more Canadians working than one year ago. This is the highest growth rate of any industrial country in the western world.

We face some unique challenges. In its fourth annual report, the Economic Council of Canada told us that in the 15 year period beginning in 1965 and ending in 1980, the Canadian labour force would grow by 50 per cent. This is an incredible growth rate, a growth rate entirely unique in the western world. The need to provide this number of jobs is the challenge and the opportunity which all of us have, whether we work in government at the local, provincial or federal level, or whether we are associated with private industry, trade unions or the agricultural community.

Let us compare the growth in our work force with that of other countries. The United States labour force is to grow by 30 per cent against our 50 per cent for Canada; the United Kingdom 4.5 per cent in the same 15 years; Sweden a zero growth rate and France, a 13.5 per cent increase by 1980. In Germany, the predicted growth rate of the labour force in this period is 5.5 per cent. In Italy, the rate is 2.5 per cent. In Canada, I repeat, it is 50 per cent. It has been said before that this is an historic, non-recurring opportunity and challenge for the people of this country, because if we can get an economy that will put these people to work, and they are mostly young people, relatively well educated, we are going to have in this country an economic base for a more just society and those greater opportunities that we all want in areas other than the economic area.

What is this rate in real terms? In real terms, the challenge is quite staggering. We will be adding three million people to the labour force in that 15 year period. In the first five year period from 1965 to 1970, one million new jobs were created in Canada. That is a remarkably good record. The three million people who will come into the Canadian labour force by 1980 will equal the absolute additions of people to the labour forces of Great Britain, West Germany and Italy combined in that period. With our population based on 22 million people, we have to find as many jobs as those three countries combined. That is a very significant challenge.

Despite these facts, the opposition thrashes about trying to convert every sign of progress into evidence of impending catastrophe. These Jeremiahs among us carefully conceal these facts from the Canadian public; in the first five years of the period about which the Economic Council advised us, over 1.2 million new jobs were created in Canada. This total of more than one million equals the new jobs created in seven European countries; Great Britain, France, West Germany, Italy, Belgium, Sweden and the Netherlands. There are 22 million people in Canada and 200 million in Europe, yet the critics blast ahead—we heard them again today—and suggest that somehow Canada's economic performance has been inadequate or suffers in comparison with some of the other countries of the world.

While the growth rate of Canada's labour force is six times that of western European countries and twice as fast as that of the United States, we continue to hear

criticism in this House. I would like the members of the opposition to call the following statements to mind. Perhaps they would like to explain them to the Canadian people. We have heard accusations in this House that the government is responsible for the rate of inflation, despite the fact it is the lowest of 22 nations in the western world. The socialist leader who today calls for full employment in a more candid moment, when speaking to an NDP council meeting in Ottawa on September 21, 1970, said and I quote:

It is politically impossible for the NDP in its present position to say full employment and we don't care where prices go!

That is an admission by the leader of the New Democratic Party that a price has to be paid for inflation, whatever that price may be. The official opposition has expressed similar concerns. Today, they lecture us about our alleged sins of omission and commission. Yet, the official finance spokesman for that party stated before the House of Commons Standing Committee on Finance, Trade and Economic Affairs on November 4, 1969, and I quote:

I am just as concerned as you are—I think all members of the House are—about the problem of inflation, and I think our chief concern is not so much to suggest that what you are doing is wrong, but that we fear that some of the things you may be doing are wrong, so that we miss the boat.

That is what the Conservative party told parliament and Canada in 1969. The official spokesman continued:

If the national effort results in an underkill on this score it will be far worse than the overkill; because if we have a national underkill in this fight against inflation we will have to start all over, and I think the square of zero is going to be much further back again. This is what bothers me.

Those were the words of the official spokesman for the official opposition concurring in the fight against inflation. But now, when these opposition parties discover there is some political fallout, that a price is being paid because of a failure of segments of the Canadian society to heed the request of the Prime Minister of this country for voluntary restraints, they say, "there is nobody in this economic chicken house but us chickens". They refuse to acknowledge any previous attitude at all which would have supported that fight against inflation. It is difficult to believe today that these two masters of hindsight would ever have uttered words which admitted that a price had been paid for inflation. Let the House and the Canadian people know that the government shares a real concern for inflation and the danger of pricing Canadian goods out of international markets. Despite these difficult months, Canadians have every right to feel proud of what has been done, and more remains.

What does the challenge to create more jobs mean for government? It means that in addition to normal fiscal and monetary measures designed to stimulate employment, we must adopt measures of an extraordinary kind to provide employment opportunities, especially for the thousands of people coming into the work force. The Department of Manpower and Immigration is deeply concerned about this challenge to provide more jobs. The resolution suggests current programs and services do not go far enough in meeting the needs of Canadians, particularly the working poor, displaced people and young people in search of employment. The facts do not support the allegations in the resolution.

The services of the Department of Manpower and Immigration have included extensive and well financed programs to provide labour market information and analysis, employment counselling and career guidance, job matching and placement services, adult training programs which include "in-industry" and "on-the-job" training programs, manpower adjustment services in cases of technological and industrial change and special programs for certain groups in the labour force, especially the disadvantaged.

Certain opposition spokesmen made reference to the challenge involved in finding employment for students and young people, yet opposition representatives must be aware of the fact that a summer employment program for students has been operated for some years by our Canada Manpower Centres. During the last four summers, the department initiated special efforts and programs to help students find summer jobs. Based on the experience of the past few years, it is estimated that 1,306,000 students will be seeking employment this summer; 434,000 post-secondary and 872,000 secondary. This represents an increase of 114,000 over 1970; 41,000 post secondary and 73,000 secondary.

• (1650)

In 1972, the Department of Manpower and Immigration will generally conduct the same activities as in 1971, with the following changes: one, the number of CM Centres for students will be increased from 119 to 137; two, an interregional, student summer employment program will be introduced whereby up to 2,000 post-secondary students will be provided with an opportunity to obtain employment during the summer months in regions or provinces other than the ones in which they reside and would normally work.

In October, 1971, the Minister of Manpower and Immigration was given responsibility for the execution of the special employment plan. This is a direct expenditure and loan program in the amount of $465 million, concentrated, to the extent possible, in the period October, 1971, to May 31, 1972. It consists of an employment loan program providing $160 million to the provinces, a $10 million loan program for exhibitions and fairs, a local initiatives program of $150 million, and an additional manpower retraining program of $65 million.

The local initiatives program was designed to provide the greatest possible good to Canadian communities while putting the largest number of people to work. It enabled municipalities, community organizations and private groups to submit labour-intensive projects for approval and funding. Of the $150 million allotted to the program, $50 million was made available to municipalities across Canada in consultation with provincial governments. The balance was available for projects submitted by community organizations and private groups. Over 5,600 projects were approved under this program, creating 90,000 jobs. So much for the prediction of the opposition that no more than 50,000 jobs would be created.

The Canadian manpower training-on-the-job program was introduced as one of the 1971-72 winter special

employment programs. It was designed to stimulate employers to prepare for future economic expansion and permit persons who would otherwise be unemployed to learn on-the-job skills which will be of continuous value to them by increasing their employability or earning capacity and by preparing them to take advantage of future employment opportunities. The department has entered into approximately 12,000 contracts with employers to the value of $50 million to train some 41,000 trainees at an average cost of $1200 for an average training period of 17 weeks. Yet the leader of the socialist party stands in his place and attacks this program as one which does not train people for jobs which are available. It was a ridiculous and unworthy statement by a man who aspires to be prime minister of this country.

An hon. Member: Never.

Mr. Perrault: Since the inception of the program in 1964, 274 manpower assessment incentive agreements and 92 manpower mobility incentive agreements have been entered into. The total number of workers affected by the assessment studies total 232,298.

I could go on and on, Mr. Speaker, describing what has been done to provide jobs for Canadians at decent salaries and wages but I am afraid my words would be wasted on an opposition which seems determined to destroy every government program or to place the worst construction on them because of their quest for political advantage. Other speakers will deal with further aspects of the motion in the course of debate today. I suggest to hon. members on the other side that the Canadian people, led by the government of the right hon. Prime Minister, have more faith in their country than do they and their advisers. Most Canadians want to be on the construction crew rather than on the wrecking gang. The resolution before us, and the statement by the Leader of the Official Opposition, are unworthy of the support of the House, as is the amendment in the name of the leader of the minor opposition group, and in my view they are unworthy of any party which aspires to be the government of the country.

Mr. S. Perry Ryan (Spadina): Mr. Speaker, this government, together with the administration which held office during the Pearson years, has had nine years in which to plan and produce in the interests of all the citizens in our country. It is now clear that these Liberal years have been poor ones for the many and lucrative ones for the few, particularly for Liberals who are Liberal in name only and who are hogging the benefits of power for themselves and their 'in' clique.

Today, after four years of gross mismanagement of the economy and chaos in practically every government department, we charge and can prove that the government has failed to provide measures to create sufficient employment. We can, with even greater force, charge and prove that it knew there would be a great influx of young people on the labour market in the 'sixties—the post-war crop—and that it has utterly failed to plan and provide jobs in their interest. They have been neglected while over-emphasis was placed, and time and money were wasted on constitutional vagaries, rule changes, international intrigue, government shuffles, Information Canada and trips abroad.

Our young people have been ignored while the ceiling on interest rates was lifted and an 11 per cent tax placed on building materials to make their entry into their life work-pattern even more difficult. Mr. Speaker, if we are to solve our problems of unemployment and inflation, the present mismanagement of our economy by this government must be brought to a halt. The statement that our economy has been mismanaged is an indisputable fact which can easily be verified by glancing at a few statistics.

The rate of capital investment is down from 11 per cent last year to a projected 5 per cent this year. During the years 1968-71 the annual average seasonally-adjusted unemployment rate was 5.5 per cent per year. This stands in sharp contrast to the years 1964-67 when the rate was 4.1 per cent. And now, ominously, in March of this year it reached 6 per cent. Furthermore, since 1967 the gap between the actual and potential levels of the gross national product in constant dollars has widened considerably, reaching around 4 per cent in 1970. This represents a gap of approximately $3 billion in 1970. The rate of real economic growth last year dropped to 3.3 per cent from 5.1 per cent in 1969, in comparison to the potential growth rate of 5.5 per cent. In other words, Mr. Speaker, our levels of output and income would have been considerably greater with reasonably full use of Canada's labour force and other productive resources. Therefore, changes must be made. Perhaps the most beneficial of the possible changes would be the introduction of full employment budgeting techniques.

The Ontario budget plan for 1971-72 used the full-employment budgeting approach for the first time by any government in Canada in the design of fiscal policy. Full-employment budgeting is now being used by the United States federal government. Full-employment budgeting is particularly relevant to the current economic situation and the problem of fiscal policy co-ordination in the Canadian federal system. Budgetary deficits are commonly understood to be expansionary. However, the full-employment budget adds a new dimension to this conventional approach to fiscal policy formulation. It emphasizes the way in which revenues increase as economic activity revives and exert a "tax drag", thereby slowing down economic expansion possibly before full employment has been achieved. The intention in such budgeting procedures is to offset any slack in the economy, and counteract the government's loss of tax revenue by cutting taxes in such a way that the growth potential of the economy is restored. On balance, these changes should reduce the expansionary impact of the tax cuts and discretionary expenditure increases.

• (1700)

Thus, in comparison with federal fiscal policy in 1971-72, three features of Ontario policy stand out. First, it was based on an objective "full employment budgeting" assessment of the impact of current policy. Second, it included more emphasis on tax cuts rather than expenditure increases. We must bear in mind that the expenditure of the federal government this year is being increased by 23 per cent. In addition, those increases in expenditures that occurred were mainly direct, rather than arm's length. Third, the major policy incentives—tax credits and

cuts, and winter employment expenditure programs—preceded similar federal action.

I should like now to say something about the problems of designing and implementing short-term economic stabilization policy. The task of short-term economic stabilization is demonstrably very difficult. It is, however, even more complicated in a federal state such as Canada. Nevertheless, in light of the obvious failure of federal policies to maintain high levels of employment, and in view of the absence of new federal initiatives with respect to federal-provincial fiscal policy co-ordination, it seems important to consider briefly those problems revealed. These are the problems of lags in the implementation of policy changes, the balance of policy mix between expenditure changes and tax changes, and the problem of estimating the direction and degree of fiscal impact.

Even so, the full employment budget estimates show that—on a national accounts basis—the federal fiscal impact was expansionary in 1970, though nowhere nearly sufficient completely to reverse 1969's restrictive impact. In 1971-72, the planned federal expansionary swing is more pronounced, partly because of a carry-over into the current fiscal year of unrealized 1970-71 spending intentions. Some carry-over of this year's program into next year appears inevitable, and it is thus unlikely that the full planned impact will materialize in 1971-72. However, the tax reductions in this year's program give it more flexibility than last year's and there seems to be no reason to doubt that this combined expansionary fiscal impact of 1970-71 and 1971-72 is greater than the restrictive impact of 1969.

Ontario fiscal policy for 1970-71 was, in contrast to federal policy, designed from the outset to be expansionary, albeit moderately so. It showed the same adaptability as federal policy, undergoing substantial in-year changes intended to reinforce its expansionary thrust. Ontario fiscal policy was more flexible than federal policy because in-year changes in expenditures were concentrated in direct rather than arm's length categories. Direct expenditures offer a greater degree of short-term flexibility.

In the past two years the fiscal impact of the Ontario government on the provincial economy has been almost as pronounced, in relative terms, as that of the federal government on the Canadian economy. Accordingly, the Ontario budget has become a key economic document in so far as the short-term economic stabilization of the Ontario economy is concerned. This recent evolution of an independent provincial fiscal policy in Ontario underscores the importance of federal-provincial fiscal policy co-ordination. Over the past two years the direction of thrust in federal and Ontario fiscal policies has, fortunately, been the same. However, independent pursuit of contrary policies is a possibility in the future, given existing evidence of lack of co-ordination.

This year, for example, in the absence of federal plans for dealing with winter employment problems the Ontario government went ahead with its own program. Subsequently, the federal government instituted its program which overlaps the Ontario program in certain areas. Such duplication limits the efficiency and flexibility of fiscal policy in Ontario. There is little doubt that the utilization of federal-provincial fiscal resources could be made more efficient through co-ordinated policies.

The finance committee in the other place has also supported the concept of full employment budgeting in one of its recent reports in these words:

> The Minister of Finance told us that he discerned some important practical difficulties in applying a high employment budgeting rule to the Canadian federal government and he questioned whether the concept would be particularly illuminating to the public or otherwise useful.
>
> We took careful account of the minister's views on this point. But we could not help observing also that the Ontario government, as well as the United States federal government, has seen virtue in the concept, and that both have found ways of adapting it to their needs. It seems to us that some reasonably flexible adaptation of the concept to the budgeting of the federal government in Canada would also be helpful.
>
> We therefore recommend that the federal government adopt the concept of high employment budgeting, at least to the extent of always estimating, in budget presentations, what the budgetary position would be at high employment and of analyzing reasons for changes in the estimated figures since the previous presentations.

The needs and challenges of the seventies require new methods of approaching and solving problems. We must not allow our economy to be hamstrung by a government that believes in exercising with dumbbells. We must seek a government that will pay full attention to the main concerns of the Canadian people, particularly in the economic and technological fields.

As I have already shown, the use of full employment budgeting techniques would greatly benefit Canada. Its use would disperse much of the confusion and uncertainty felt in the business community towards the government's economic programs. However, it will still be necessary for this government to stop harassing Canadian commerce and industry with unworkable tax changes. When will we know what amendments are proposed to the 1971 Domesday book? Surely, this uncertainty cannot be permitted to go on and on, to the detriment of investment in Canadian industry and confidence in Canada.

The sudden ad hoc introductions of the Opportunities for Youth program and the local initiatives program are evidence of the government's failure to create sufficient employment through the stimulation of the private sector of the Canadian economy and particularly Canadian industry. Canadian job-creating enterprises in the private sector must be developed, encouraged and assisted by government so that Canadian taxpayers' dollars will no longer be used on hastily conceived programs that yield little or no long-term benefits. I am thinking particularly, of course, of our experience with much of the hot and cold LIP program which is now apparently going to be entrenched and run year round by this incompetent, welfare-state government.

• (1710)

Because the government has failed to produce measures to create employment, has failed to encourage investment in Canadian industry and has caused widespread uncertainty as to its economic program and, indeed, has failed to introduce real reform in the tax system so as to redistribute income and reduce the tax burden on the low and middle income groups, this House lacks confidence or

certainly should in the ability of the government to meet the needs and challenges of the 1970's. What we have experienced in the sixties we certainly must not put up with in the seventies.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I have enjoyed this debate today, if only because it has become familiar. Things familiar sometimes become enjoyable. I have heard what was said today so many times before I know the lines before they are spoken. I read recently that a California newspaper had tried to stay in business by reporting only the happy events that occurred in the world, but the newspaper went broke. Many other newspapers in the world have illustrated the fact that you cannot make a living by reporting only good news. The fellows who are competing with you are busy reporting all the bad news in the country, because they think they can make a living this way. That is the way the opposition are trying to make a living.

The Leader of the Opposition (Mr. Stanfield) goes around the country ringing his hands over and over again. He is gaining the reputation as being the man who makes people in Canada sad. We have people in Canada, such as Wayne and Shuster, who make a good living as comedians. For the first time in history, we have a man going around the country making people sad, and making a living very well by doing that.

I was interested in some of the statistics given so far during this debate, particularly those given a minute ago by the hon. member for Spadina (Mr. Ryan). I realize his speech was prepared by the Conservative party research staff, but I think that even they should use correct figures. The hon. member mentioned, for instance, real growth last year. As he wrung his hands he said real growth last year dropped to 3.1 per cent in Canada. Let me give you the correct figures. Real growth in Canada rose from 3.3 per cent in 1970 to 5.4 per cent last year. I suppose if one wrings his hands long enough he can turn the figures around, get them backwards, and make the picture look bad. I think it is encumbent upon spokesmen for the Conservative party in this House to use the correct figures, and it is encumbent upon the leader of the opposition party to hire a staff capable of securing the correct figures.

What about figures in respect of unemployment? These were very adequately stated by the hon. member for Burnaby-Seymour (Mr. Perrault), who talked about the real growth in employment in Canada. We have an outstanding record in Canada in job creation in that some 330,000 new jobs were developed in Canada last year. This is a much better record than that of Italy, France and West Germany combined. Our employment growth rate was twice that of the United States, and six times the rate of those European countries I mentioned. Is that a record of which to be ashamed? I am not ashamed of that record. It is the greatest record of job production in any country of the world. There is a saying in the stock markets that bad money drives out good money. I know the Leader of the Opposition will drive out good news. We have to correct these statements over and over again in Canada in order to contradict the doom and pessimism given out day after

[Mr. Ryan.]

day by the Conservative party in Canada. That party is trying to destroy the confidence of Canadians in their country.

We have an outstanding record in many fields, including the field of inflation fighting in Canada. Let me refer to figures to which the doom and gloom boys fail to pay attention. The figures issued by the international monetary fund, not by us, show that last year in Canada the amount of inflation was 3.5 per cent, as compared to 9.9 per cent in Britain, 5.5 per cent in France, 5.7 per cent in Germany, 5.3 per cent in Norway, 4.2 per cent in the United States and 9.7 per cent in Japan. Canada's record is 3.5 per cent, the best in the world. Tell me any country which can do better than that.

We have the highest rate of employment in the world. The reason Canadians have trouble finding jobs is that we have more people coming into the labour force than any other country in the world. That is not a record of which we should be ashamed. We have a great and growing nation. We will have problems for a good many years to come because there are so many Canadians coming into the labour market, but we should be very grateful for this growth rate. We will not help the problem by expressing lack of confidence day after day as has been done by the Leader of the Opposition.

The hon. member for Spadina referred to the rate of capital investment as being 5 per cent this year. He read us a long treatise on economics. He mentioned the lag factor, but he needs to know more about the lag factor and the rate of capital investment. This is exactly what took place in respect of the 5 per cent figure last year. The long-term average is about 6 per cent in Canada, and the indications are that our long-term average has in fact been far above the 5 per cent figure in recent years. Canada has a very commendable record in respect of the rate of capital investment.

Let me refer to something said by the leader of the NDP. He referred to secondary indicators in Canada as being down, but he did not quote his sources. I could quote them for him because this story has appeared recently in newspaper articles all across the country. This newspaper article was wrong, so the source of the leader of the NDP was wrong, as usual.

The suggestion has been made that manufacturing shipments declined in February after advancing in January. Manufacturing shipments were down in February but this followed an unusually rapid advance in January. The trend of any statistical series fluctuates from month to month. Manufacturing shipments have been rising strongly for more than a year. Manufacturing shipments in February 1972 were nearly 12 per cent higher than in the same month in 1971. The doom and gloom boys on the other side will not pay attention to the good figures. They look under as many rocks as they can to see what they can find to show that things are not good in Canada.

A comment was made about manufacturers' inventories, suggesting that they grew in relation to shipments of newly finished goods. I suggest that is just boloney. The comment in respect of the increase of manufacturers' inventories in relation to shipments is simply not justified. The stock to shipments ratio in 1972 was 1.9, the same as in the last three months, and this ratio is lower than in any three month period during the last three years. In fact, the

stock to shipments ratio is usually low by historic standards, but the doom and gloom boys will not pay any attention to these figures.

• (1720)

Then, we have another one. Figures released a few days ago by Statistics Canada showed that the index of industrial production, which increased slightly in January, has been falling since the first of the year. This statement is in error, because the truth is that the index of industrial production, which represents about one third of the total output of the Canadian economy, rose at a seasonally adjusted rate of about 4 per cent as at January, 1972, following an exceptionally rapid increase of more than 10 per cent in December, 1971. Those are the figures the people on the other side should be quoting. There is a practice in Canada that a speaker is sometimes led into a meeting by the bagpipes. Sometimes he is led in to the tune of a spritely march. I am told now that when the Leader of the Opposition (Mr. Stanfield) is led in by the bagpipes, the piper plays a lament.

I wish to say something about the claim made by the Leader of the New Democratic Party that this government deliberately created unemployment. That has been said over and over again by the gloom boys on the other side.

Mr. Orlikow: The Prime Minister said it.

Mr. Howard (Okanagan-Boundary): The suggestion has been made that unemployment is something to trade off for cost of living increases.

Mr. Orlikow: That is what you said. That is what the government said.

The Acting Speaker (Mr. Boulanger): Order. I believe the member should be allowed to complete his remarks without being disturbed. The hon. member knows the rules and is known as a real gentleman, so I believe he should give the hon. member an opportunity to continue his speech.

Mr. Howard (Okanagan-Boundary): It is a well known fact that increases in inflation are a greater cause of unemployment than anything else the government could allow. One is not traded for the other. You have one with the other. The fact that this government has made a record fight against inflation is the reason we have been able to control unemployment the way it has been controlled. If we had not been able to control inflation, in view of the employment problem in Canada and in view of the increasing number of people available for work, the problem would have been much more serious. The text of the motion we have before us indicates that the government has caused widespread uncertainty as a result of its economic programs. It is not the government that is causing widespread uncertainty in Canada but rather the opposition, and the Leader of the Opposition, who goes about Canada spreading gloom and doom.

Mr. Raymond Rock (Lachine): Mr. Speaker, when the hon. member for Burnaby-Seymour (Mr. Perrault), and the other member also, spoke of the Conservative gloom and doom, I thought I should let them know I have seen gloom and doom in my riding. I wish the Liberal workers in my riding in the last election had been here to hear these gentlemen opposite who have spoken, because quite a number of them today are on welfare as a result of the policies of this Liberal government. The hon. member for Burnaby-Seymour spoke about what will happen 15 years from now. This statement is similar to one made by the Prime Minister (Mr. Trudeau) in Toronto a few weeks ago when he referred to what would happen a decade from now in the north. It is a well known fact that his speech was a re-hash of the speech he heard from a former Conservative Prime Minister concerning visions of the north. Instead of mentioning what will happen in the next decade, members opposite should be telling us what will happen now. I think they should take a lesson from the slogan of Manpower—do it now, and not 10 or 15 years from now.

In 1965, unemployment was as low as 3.6 per cent. In 1968 when this government came to power, unemployment ran between 4 and 5 per cent and hence to 8.1 per cent in February of 1971. There were 675,000 Canadians out of work and about 100,000 undergoing manpower training, which actually meant 775,000 were out of work. This government diddled with they called a seasonally adjusted formula to make the figures look lower than they actually were. This high unemployment was deliberately caused by a government policy to curb inflation. The Liberals called it an all-out war on inflation. This war caused many to go on welfare. The people of Canada demanded wage and price controls. This is substantiated by various questionnaires sent out by members of parliament, including myself. The government chose to cause unemployment as a cure for inflation, and at the same time caused more inflation by allowing bank interest rates to go up to 11 and 12 per cent. While the Liberal government ran on a ticket of Canadian unity, the just society, and a prosperous economy, it has done more to divide and to segregate than any other government, through a planned deliberate policy to create unemployment, the root of all evil.

This government has given fuel to such activists as Mel Watkins and Jim Laxer and their communist manifesto, and to those who agree on Quebec separating as long as Quebec would become a socialistic state. It has also provided fuel for Pierre Bourgeault, Chartrand, Laberge and Rene Levesque, who have now reinforced their manifesto for separation. In the 1960's Jean Lesage's "Maitre chez Nous" slogan created a situation in which the Bourgeaults, the Chartrands, Laberges and the Levesques, who are determined to make a separate state of Quebec, perpetuated slogans such as: anti-federalism, anti-the Queen, anti-Americanism, anti-establishment, anti-free enterprise, anti-Viet Nam, anti-management, anti-Anglais and so on. And now we have the Levesque manifesto, a formula to separate the province of Quebec and make it a socialistic, sovereign state. Men like Levesque, Bourgeault, Laberge, Chartrand, Laxer and Watkins scare the hell out of the industrialists who want to expand their industries in Canada and scare the hell out of those who want to create new ones, whether they are foreign owned, American or even Canadian, and add to the causes of unemployment.

Alleged Failure to Alleviate Unemployment

• (1730)

In the past four years, instead of going in the direction of unity the Liberals and NDP have created a situation in which Canadian nationalism has become anti-American and anti-foreign investment. This is now part and parcel of a Canadian form of patriotism, a form of Canadian maître chez nous. They felt that a strong sense of federal nationalism would lessen the centrifugal tendencies in the country and would tear down provincialism. Such negation is a somewhat weak basis for national sentiment to focus upon and Canadians have become concerned about the varying shades of nationalism which have been advanced over the past few years. John Deutsch, former chairman of the Economic Council of Canada, feels that there is no country where the blind furies of nationalism could be more dangerous than Canada in the 1970s. He contends that exploitation of this sentiment could destroy Canada. The Liberal party is just doing that, and this is one of the main reasons why I could not follow them.

The government has no information as to how many Canadians own property in the U.S.A., no information as to how many own businesses in the U.S.A., and no information as to how many own stock in the U.S.A. and its worth. The government has no decisive evidence about the costs and benefits of foreign investment in the Canadian economy. The story is told of a Canadian computer company that was unable to find risk capital in Canada. It is now 70 per cent owned in the U.S.A. Would it have been better for Canada if that firm had been allowed to fail—better dead than American? Whatever the origin of capital, such a firm provides employment and income for Canadians the same as all other businesses.

President Nixon, in his statement to the House on April 14, gave an assurance that he will not stand in the way when Canada charts its on own economic course. The point is, what economic course are we taking? In what direction are we going? No policy has been announced by the government. If it is to be a policy of anti-American ownership and investment, the President will be happy because he will have an opportunity to retain that capital in the U.S.A. and expand industry and employment in his own country while we look for capital—where?

Canadians are not oriented to investing directly in corporate stock, nor has the CDC any intention of so orienting them. I point out that I asked the former minister of finance that this be done by the CDC in order to orient Canadians to invest in Canadian industry from childhood through adult life. Is the government going to continue to create an atmosphere of anti-American, anti-foreign investment and at the same time bribe industry to establish in designated areas and bribe youth to do their own thing because the government has failed to restore confidence in the country, has failed to expand our economy and create jobs and has deliberately created this mess?

I will definitely vote for the motion of no-confidence proposed by the Leader of the Opposition (Mr. Stanfield) which reads as follows:

> That because the government has failed to produce measures to create employment, has failed to encourage investment in Canadian industry, and has caused widespread uncertainty as to its economic programs, this House lacks confidence in the ability of the government to meet the needs and challenges of the seventies.

[Mr. Rock.]

In 1968, Mr. Speaker, as a Liberal I campaigned for a working majority in parliament. In the next election, as a Conservative I will campaign for a majority working.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the latest public opinion poll taken by the Canadian Institute of Public Opinion shows that 41 per cent of the people polled believe that unemployment is Canada's most serious problem. Just a few years ago, in 1966, when the same question was asked only 7 per cent of the Canadian people thought unemployment was the most serious problem.

I listened to the two parliamentary secretaries who have spoken on behalf of the government and heard them say that there is really no problem about unemployment, that the Canadian people really are not upset about unemployment, that things are really going well in this country and that the only trouble is that members of the opposition parties are using spurious arguments to excite the Canadian people about the dangers of unemployment. I say to the parliamentary secretaries that they give a great deal more credit than can be given to any group when they suggest that members of the opposition parties have been whipping up the present feeling about unemployment. That feeling is not based on the speeches of members of the opposition; it is based on the cold hard realities of what is taking place.

It will do little good for parliamentary secretaries, or for the minister who is going to speak tonight on behalf of the government, to tell us about how good they think things are, that many more people are working in Canada than ever before and all the rest of the goodies. For the more than 600,000 who are unemployed it is cold comfort to be told that somebody else never had it better than it is at present.

What are the facts? It is the facts we should be examining, not the fables we get from the government side. Last month there were 642,000 people out of work, an increase of 15,000 over February. The seasonally adjusted rate of unemployment stood at exactly 6 per cent. Mr. Speaker, in the last 22 or 23 months, in only one month has the seasonally adjusted rate of unemployment been less than 6 per cent. I want to put on record again that the average number of people unemployed in every month during the four years in which the Trudeau government has been in office is exactly twice as many as in all the months in the four years in which the Pearson government was in office. That is the record of the Trudeau government.

If you look at it region by region, the situation is even more grim. In the Atlantic region, the actual rate of unemployment in March stood at 12.1 per cent, up from 11.1 per cent in February and 10.9 per cent in March of last year. In British Columbia, one of our wealthiest provinces, the actual unemployment rate jumped from 7.6 per cent in February to 8.6 per cent in March. I do not know why the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) is so happy about things when the situation in British Columbia shows such a large number of unemployed.

Mr. Perrault: Find out where they come from.

Mr. Orlikow: Find out where the people came from? Mr. Speaker, that comment by the parliamentary secretary is typical of his lack of concern for people. He says, find out where the people who are unemployed in British Columbia came from. Let us assume that they all came from other provinces. What difference does that make to their plight? The fact is that they are living in wealthy British Columbia, that they are unemployed, that they are existing on unemployment insurance or on welfare. Does that make it easier for them? Does it make it better for them?

Mr. Perrault: I never said anything like that. Stick to the facts and don't distort the record.

• (1740)

Mr. Orlikow: Mr. Speaker, the figures which I have quoted were produced by Statistics Canada. The parliamentary secretary interjects that I should stick to the facts. In so doing he is casting a slur on Statistics Canada, not on me. I think he should be careful how he talks about the public service of this country.

Mr. Perrault: Mr. Speaker, I rise on a point of personal privilege. I have at no time adopted a callous attitude with respect to unemployed people in this country. This is the type of tactic typical of that party on the other side which is always posing as being so self-righteous about the plight of the unemployed.

Mr. Orlikow: Mr. Speaker, I hope you noted that that was not a point of personal privilege at all, and I hope you will not deduct from my time the time taken up by the intemperate remarks of the parliamentary secretary.

As I pointed out, the fact is, according to Statistics Canada, that in March 8.6 per cent of the labour force in British Columbia was out of work. Let us look at this in terms of groups of people. Young people are in an even more serious situation than the general population. In the under 24 age group, 12.6 per cent were out of work in March compared with 12.4 per cent in February of this year. That is why people are concerned.

The Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Howard) said that members of the opposition have consistently pointed out that to a large extent the level of unemployment is a result of deliberate policy promoted and fostered by this government. Let us look at the record again, not the fable spun by the parliamentary secretary. I should like him to look at the report of the press conference held by the Prime Minister (Mr. Trudeau) in 1969 when he announced that the government's number one objective was to halt inflation.

The Parliamentary Secretary to the Minister of Industry, Trade and Commerce said that this country has had the lowest increase in the cost of living of any industrialized country. That is true, and we have never questioned that this would be the result of the government's policy. But we predicted then, and events have proven us correct, that the inevitable result of the government's policy would be a sharp increase in the number of unemployed. While we have the lowest increase in the cost of living, we also have the highest rate of unemployment of any industrialized country. In December, 1969, when asked by the press how serious he was about dealing with inflation, the Prime Minister said, "Just watch us. We will follow these policies to curb inflation even if they result in an unemployment rate of 6 per cent."

Well, Mr. Speaker, he was right on target. For almost two years we have had an unemployment rate of more than 6 per cent. Is it any wonder that members of the opposition, the public, the academic economists and those who work with people on welfare say that this government is callous, that it is indifferent and that it does not care about people who are unemployed? That is the situation, Mr. Speaker, and it is no use members of the government trying to hide the fact that their policies have accelerated our rate of unemployment, which is now the highest of any western industrialized country.

Members of the government tell us that we are wrong when we speak of economic indicators pointing to the fact that things are not going to get better. Today we get the same answer that we have been getting for the last two years. We heard it from the former minister of finance for almost two years, and we heard it from the present Minister of Finance (Mr. Turner) just last month. It is, "Things are going to get better in the next two months, when the rate of unemployment will go down". When we raise these problems, the two parliamentary secretaries who have spoken accuse us of doing it for political advantage.

Today's Toronto *Star*, which is not a Conservative nor an NDP newspaper—

Mr. Walker: It is not a Liberal newspaper.

Mr. Orlikow: Well, today is not the time to talk about the $5 million gift that the Toronto *Star* got from the government of Canada.

Mr. Knowles (Winnipeg North Centre): The hon. member meant that to be spelled with a small "l".

Mr. Orlikow: Mr. Speaker, my colleague from Winnipeg North Centre (Mr. Knowles) says that the hon. member for York Centre (Mr. Walker) meant it is not a liberal paper with a small "l", which means that it is a Liberal paper with a large "L". It is a small "l" liberal paper between elections, and at election time it becomes a Liberal paper with a large "L", supporting the government. Today's Toronto *Star* contains a column by one of the best economic writers in Canada, Dian Cohen, who analyses the state of the economy in Canada. Let me put on the record some of the economic indicators she mentions:

Item: Shipments of goods from manufacturers to retailers declined in February after advancing in January. Newly finished goods stacked on manufacturers' shelves grew in relation to what they shipped. Both these facts indicate that retailers aren't buying merchandise to the extent it was hoped they would in order to give the economy the boost it needs.

Item: The index of industrial production, which measures a wider area of economic activity than manufacturers' shipments, showed no growth in February, and only insignificant growth in January.

Item: The lastest job vacancy survey reports that at the end of 1971 there were about 35,000 jobs waiting to be filled, an insignificant change from the previous three months. People looking for work during that time averaged 575,000, that means that for every 16 people available to work, there was one job open.

Alleged Failure to Alleviate Unemployment

Mr. Speaker, let me digress from Mrs. Cohen's article for a moment in order to remind members of the House that the figures collected by Statistics Canada and the Department of Manpower and Immigration make a mockery of the statement which the Prime Minister has made a number of times, that people who want work can get work. These figures show that there are 16 people unemployed for every job that is open. The article continues:

item: A special study produced by Statistics Canada says that discouraging moonlighters, shortening the work week, or penalizing overtime work in an effort to open up new jobs for the unemployed, would have only a minimal effect on reducing unemployment.

All of these items taken together add up to a lot of bad news for our economy. The economic "expansion" of 1971 which the Ottawa establishment touted so highly as foreshadowing a boom in 1972 shows signs of pooping out in the first quarter of this year. A few of us have higher incomes, all of us have higher prices, but none of us has any growth of real output to show for it.

Mr. Walker: Mr. Speaker, may I ask a question of the hon. member?

Mr. Orlikow: Certainly.

Mr. Walker: Would the hon. member be good enough to inform the House what other newspapers in Canada carry Mrs. Cohen's syndicated article?

Mr. Orlikow: Mr. Speaker, I cannot tell the hon. member that, and I do not know that it has any bearing on her argument. If she is wrong, it does not matter whether the article appears in one newspaper or 20; and if she is right, she is just as right in one newspaper as she would be in 20. As I think she has indicated, the facts are very, very serious. I do not mind answering the hon. member's question except that, as he knows, we are on limited time.

Let me say to him, however, that the forecast prepared for the government of Manitoba which has been made public by its chief economic adviser, the former head of the department of economics at McGill University who, as I was told by the hon. member for Duvernay (Mr. Kierans), is the finest economist in Canada, indicates that while there will be some reduction in the percentage of unemployment in the first half of 1972, the situation will worsen in the last half of the year. I say to the hon. member for York Centre, who I know is concerned about unemployment, that that economist has been much more on target than the government's economists up until now.

• (1750)

Let me spend a few moments talking about the second matter dealt with in the amendment moved by the leader of our party (Mr. Lewis). The amendment says that the government "has failed to introduce real reform of the tax system so as to redistribute income and reduce the tax burden on low and middle income groups." I do not want today to go over the mass of material prepared by the hon. member for Duvernay, which shows that certain industries, oil and gas for example, and the mining industry are paying taxes on only 10 per cent of earned income, that other industries pay more and that individuals pay tax usually on their whole income.

The Prime Minister has repeatedly made speeches in which he has put forward the argument that the objective

[Mr. Orlikow.]

of the government is to narrow the gap between Canadians in the lower income bracket and those in the upper income bracket. Again and again the Prime Minister has said that the government is succeeding in its objective. The facts prove differently. Hon. members may have seen, in the *Financial Times*, a report of speeches made at a conference organized by the Canadian Council for Social Development by two United States economists. The speeches deal with Canada and use figures prepared by Statistics Canada and the Department of National Revenue. These are the same as the figures which I obtained in answer to questions I recently put on the order paper.

The figures show that between 1957 and 1967, the lowest 40 per cent of families and individuals in Canada who paid taxes earned under 16 per cent of the total income. In other words, the lowest 40 per cent got less than 16 per cent of total income. Actually, Mr. Speaker, the percentage of total income earned by the lowest 40 per cent, instead of going up as the Prime Minister seems to have indicated in a number of speeches, has gone down. At the same time, the percentage earned by the top 40 per cent has gone up slightly. The top 40 per cent of income earners in this country in 1967, the last year for which there are figures, earned 66.6 per cent of the total income. In other words, the top 40 per cent got two-thirds of the income earned by Canadians. The answer to another question which I asked shows what has happened in this area. Hon. members can see the answer to this question in *Hansard* of March 29.

I want to make it clear that I cannot put all the figures on record. The number of taxpayers increased between 1961 and 1969 by about 60 per cent. However, if you look at the number of people earning income of over $200,000 a year, you will see that the number doubled from 95 to 190. The minister from Calgary smiles; he does not think that is very many. Those who are unemployed or who earn an income of less than $5,000 a year, which includes almost half the people of this country, think if anybody is earning over $200,000 a year it is a lot of people.

In the period 1961-69, the number of people earning between $100,000 and $200,000 tripled from 507 to 1,553. The number of people earning between $25,000 and $100,000 increased by 3½ times, from 18,730 to 68,570. So, Mr. Speaker, one can see that under this Liberal government which has introduced a certain tax system but has refused to implement a truly equitable tax system, those who have most are getting more than ever before. Not only is the income growing of those in the top earnings bracket, but the number receiving a large income is also growing. At the same time, almost half the population still earns less than $5,000 per year.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member, but his time has expired.

Hon. P. M. Mahoney (Minister of State): Mr. Speaker, I indicated to the Leader of the Opposition (Mr. Stanfield) that I would not be speaking until after ten o'clock.

Mr. Knowles (Winnipeg North Centre): After ten o'clock?

Mr. Mahoney: I beg your pardon: until after eight o'clock. Therefore, in the couple of minutes that are available before I call it six o'clock, I should like to deal briefly with the NDP amendment which has added yet another brick of unsubstantiated speculation and false assumption to the structure on which this rather sad confidence motion rests.

Mr. Knowles (Winnipeg North Centre): Ten o'clock.

Mr. Mahoney: The hon. member for York South (Mr. Lewis) has added, as a stipulation, that the government has failed to introduce real reform of the tax system and has failed to redistribute, among other things, the tax burden. The fact is that the tax reform measure adopted in the previous session of this parliament has resulted in all married status taxpayers paying less income tax this year than they paid last year, and all single status taxpayers with incomes of up to $8,000 paying less tax this year than last year. It has taken off the tax rolls one million Canadians who were on the tax rolls last year. It has reduced taxes for five million more people, and even when one includes the capital gains tax in the tax base two out of every three Canadian taxpayers will pay less income tax under the new system. Those reductions, Mr. Speaker, are at the low end of the scale.

The members of the NDP have been shouting the canard around the country that the tax credit system can do things that the exemption system cannot do, which of course is utterly false; the hon. member for Waterloo (Mr. Saltsman) has admitted this. However, members of the NDP have misled the country into thinking that while they are talking about tax credits, they are in fact talking about negative income tax.

May I call it six o'clock, Mr. Speaker?

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Mahoney: Mr. Speaker, before six o'clock, I had just a few moments to deal with the premise on which the amendment proposed by the hon. member for York South is based, that is, the suggestion that we as a government have not introduced tax reform and that the effect of whatever we have done has not been of assistance to the lower and middle income groups. This is a subject on which I could spend the whole of my allotted time. However, I do not propose to get trapped into doing that.

I have dealt with the fact that a great number of taxpayers in Canada have been relieved, either wholly or in part, of taxation as a result of Bill C-259 that was dealt with in the last session of this parliament. I could mention such things as the employment expense allowance and the child-care allowance that are of primary interest and benefit to lower and middle income wage earners in Canada. I could dwell at length on the additional exemption that our senior citizens receive, the change that resulted in the increase from $500 to $650 and the age for qualification being reduced from 70 to 65. These are all things that are well recognized in Canada. Lower and middle income Canadians know that today they are paying less tax under the reformed Income Tax Act than before, because since the first of the year the deductions from their pay envelopes have been smaller.

The hon. member said we have not reformed the tax system. He may not like the reform: that is beside the point. How he can deny it is reform escapes me completely. It altered fundamentally the basis on which small Canadian corporations are assisted through the tax system. It changed significantly the way corporations and their shareholders are taxed. It permitted and encouraged Canadians to set aside substantially more tax free and tax deferred dollars for their retirement. It increased both the number and effectiveness of incentives for Canadians to invest in and own Canadian enterprise. It attached very definite and positive conditions to the tax incentives available to the extractive industries. It instituted for the first time the inclusion of capital gains in the tax base and abolished federal gift and estate taxes.

That may not be reform by the standards of the socialists who feel that not only is a buck a buck but it is the government's buck. It is, and was, reform by any rational standard of definition. It was founded on an unprecedented process of participation, a process of good democracy, good politics and good government. The tax reform which this government introduced and saw carried through the House of Commons in the last session was responsible reform.

Those who were present in the House just before six o'clock when I started my address will appreciate that I was feeling something in the position of making my maiden speech. I blew my opening lines beautifully. This is the first occasion I have had as a member of the ministry to take part in a debate on behalf of the government. After listening to the speech of the leader of the opposition when introducing his motion today, I felt like a Conservative, at least as I understand many Conservatives feel: I was let down and disappointed.

Most Canadians are well aware of the fact that in our parliamentary system opposition parties have a vitally important role to play. The opposition has a responsibility to oppose, but it also has an obligation to the Canadian people to oppose constructively and in a way that bears at least some relation to the realities of the complex world in which we live. Perhaps nothing better indicates the political and intellectual bankruptcy of the official opposition than the empty and mindless criticism of government economic policies contained in the motion put before the House today by the Leader of the Official Opposition.

Some hon. Members: Hear, hear!

Mr. Mahoney: Not only are his criticisms unsupported by the facts; they are flatly denied by the facts. Once again the Leader of the Opposition has failed to put forward comprehensive alternatives of his own by which the Canadian people could judge the policies that would be adopted by a Conservative government. It is quite remarkable, Mr. Speaker, what a close resemblance the Leader of the Opposition bears to a mythical Canadian political figure, conjured up recently by one of the country's eminent financial writers, whom he called Bob Er

Umm. It seems he decided on that name because every time he was asked what he would do differently than the government in power which he so strongly criticized, he replied, "Er umm."

In his motion the Conservative leader alleges that the House lacks confidence in the ability of the government to meet the needs and challenges of the seventies because of its failure to produce measures to create employment, to encourage investment in Canadian industry and because of widespread uncertainty caused by its economic programs. It is, I think, useful and instructive to take a hard look at those allegations which the Conservative leader advanced in his motion and elaborated in his speech even though he advanced no alternatives or suggestions.

Over the past two years the government has introduced a broad series of measures aimed at creating both directly and indirectly new jobs for Canadians. In a report issued late last year the Organization for Economic Co-operation and Development in fact estimated that the Canadian government had injected substantially greater fiscal stimulus to promote the expansion of the economy than any major industrial nation. I do not think there is much room for doubt that these fiscal measures, together with the expansion of monetary policy, played a more important part in spurring a greater increase in Canada's real national output last year than those of any industrial country except Japan. Our increase was twice that of the United States and Germany.

• (2010)

I will not burden the House with a recital of all the measures which were brought forward in the form of tax cuts, increased federal spending and lending programs during this two-year period to promote increased production and employment in Canada. As an illustration of the magnitude of these measures, however, I would point out that the direct employment-related programs introduced in the House last October, such as the Local Initiatives Program, on-the-job training programs and the special loan and grant program to help finance capital projects by the provinces and municipalities this winter have involved federal expenditures alone of more than half a billion dollars.

The hon. member for York South arrogates to himself and to his party a monopoly of concern for the human aspects of unemployment. This hard-nosed, hard-bitten, high-priced union lawyer will find as much difficulty in maintaining that stance as he and his party are finding in convincing prairie farmers that the NDP has the interests of prairie farmers at heart.

To avoid being misunderstood or misconstrued by members of the opposition, let me hasten to emphasize, Mr. Speaker, that I am well aware, and the government is well aware, that there are still too many Canadians without jobs who want to work. Certainly we on our side are not trying to hide the fact. Developing the means to create jobs for all Canadians who want to work continues to be the first priority of this government.

Some hon. Members: Hear, hear!

Mr. Mahoney: At the outset of my remarks I referred to the need in this country to face up to the realities of the world in which we live. One of the hard realities confronting us, one which is no less real because the opposition chooses to ignore it, is that we in Canada are confronted by a unique and far reaching problem because our labour force is growing very much faster than that of any other industrial nation.

Over the past several years we have on the whole made tremendous strides in dealing with this problem. During the 1960's, the rate at which now jobs were created in Canada grew nine times faster than that in West Germany, nearly six times faster than that in Britain and four times faster than that in France. During the same period, the relative increase in employment in Canada was also 50 per cent greater than that in either the United States or Japan. During the first two years of the 1970's, employment increased three times more rapidly in Canada than it did south of the border.

The steady expansion of our economy, together with the direct job-creating measures adopted by the government, have helped to accelerate the growth of employment over the past several months. In March, the last month for which figures are available, there were 88,000 more Canadians with jobs than in February, an increase for that month which was exceeded only in the boom year of 1967. Total employment in March was up by 330,000, or 4.3 per cent, over the level a year ago which, as the *Financial Times* pointed out recently, represents a greater increase over the 12-month period than that which took place in any year in the booming 1960s. Nor is this just a one-month fluke. As the *Financial Times* also noted, the growth in employment over the period since last September has been at a seasonally adjusted annual rate of almost 6 per cent, which is extraordinarily high.

To claim, as the Leader of the Official Opposition has in his motion, that the government has failed to produce measures to create employment is completely contrary to the facts. The most charitable view it is possible to take is that at the very least the Conservative leader's allegation represents an exercise in self-deception. Perhaps, Mr. Speaker, it is a case of the wish being father to the thought. And what of the claim by the Leader of the Opposition that the government has failed to encourage investment in Canadian industry? Much the same may be said of this second allegation as of the first.

The fact is that the greatest source of encouragement to Canadian industry to step up its capital investment is a rapidly growing economy, which leads in turn to a rapid expansion of demand for its goods and services. As I have already pointed out, just such an expansion of the economy has been in progress now for a period of many months as a result of the fiscal and monetary stimulus injected by the federal government.

It is, of course, true that in the early stages of accelerated economic growth companies tend to make use of the existing, unused capacity of their plants and equipment to fill expanding demand for their goods and services, rather than to invest in new facilities. As the output of these facilities begins to get stretched to the limit, however, industry begins to step up its capital investment in order to increase its productive capacity.

Quite apart from the impetus to capital investment resulting from the healthy growth of the economy, there

have been a number of particular measures introduced over an extended period that were aimed directly at bolstering Canadian industry by strengthening its competitive position and facilitating expansion of capital investment. Just by way of example I might remind the House that in December, 1970, the government took steps to permit Canadian manufacturers and processors to write off depreciation on new capital investment at the rate of 115 per cent of actual cost. In the budget last June, the 3 per cent corporate surtax was abolished, along with that on personal incomes. In October, the total income tax payable by corporations was reduced by a further 7 per cent during the period from July 1, 1971, to the end of this year. Together with the abolition of the surtax, this represented a very substantial reduction in corporate taxes of 10 per cent.

During 1971, total capital investment in Canada increased by 11 per cent, which is well above the long-term average, although for the reasons I have already mentioned, by increase in business capital investment was more moderate. It is quite true that the initial survey of capital spending investment intentions for 1972 indicates a significant slowing down in the rate at which total capital investment will increase this year. But because this survey was taken around the turn of the year when there was still a high degree of uncertainty as a result of the international monetary crisis, there is every reason to believe that actual investment spending in 1972 will be considerably higher than forecast. Certainly conditions are ripe for an upward surge in capital investment by business to get under way in Canada to match that already anticipated in the United States.

Let me deal now with the third allegation by the leader of the opposition, namely, that the government has caused widespread uncertainty regarding its economic programs, which supposedly has also contributed to a lack of confidence in the ability of the government to meet the needs and challenges of the 1970s. With this allegation, the Conservative leader has outdone himself.

There is an old saying, Mr. Speaker, which I think has some application in this situation. It is that you cannot scramble an egg without breaking it. By the same token, you cannot change policies without creating some uncertainty. We live in a world of very rapid and far reaching changes. If we are to be able to meet the needs and challenges of the seventies we must respond to those changes which are occurring all about us, and nowhere more so than in the economic field. There are many conservatively minded people in this and other countries who refuse to recognize the need for change, who cling to the status quo and the conventional wisdom of the past.

There is plenty of room for argument among reasonable men about how we should respond to change, but in my view there is none whatever about the need to respond. During the period when new policies and programs are in the process of being formulated and debated, it is inevitable that there will be considerable controversy and uncertainty. I say that controversy and uncertainty are often inevitable, but perhaps on second thought I am mistaken. Perhaps the Leader of the Opposition will let us know if he has found a way of reshaping government policies and programs to meet the needs of today and tomorrow without creating a measure of uncertainty in the process. Perhaps while he is at it he will also tell us how to scramble an egg without breaking it. And after that perhaps he will tell this House and the Canadian people just what policies and programs his party proposes to meet the challenges of the seventies.

• (2020)

I suppose that when the Conservative leader refers to widespread uncertainty regarding the government's economic programs, he is echoing the misgivings voiced within the business community over some of the measures introduced or being considered by the government to respond to the changing economic circumstances which confront us as a nation. In this connection I was much interested in a statement placed as an advertisement in the New York *Times* a few days ago by a very large United States corporation, Mobil Oil Company, under the heading, "Business is bound to change". I would like to read some excerpts from that statement because I think it is highly relevant. It provides more than sufficient answers to the Leader of the Opposition, and indeed to those in the business community itself who have criticized us for causing uncertainty. The statement begins:

> Change upsets people. Always has. Disrupts routine and habit patterns. Demands constant adaptation.
>
> But change is inevitable. And essential. Inability to change can be fatal.
>
> Unfortunately, most of man's institutions are highly resistant to change.
>
> This, as much as anything else, underlies the explosive reaction of many people in our country in the past few years. They took a fresh and uncluttered look at the world around them, and found many institutions archaic. Higher education. Government. Religion, business.
>
> These institutions have begun to respond to the need for change, even if not always with breathtaking speed.
>
> Among these institutions, business is by the nature of things compelled to change more rapidly—and perhaps more realistically—if it is to survive. Companies that cannot foresee change and adapt to it quickly enough die. There is seldom anybody to subsidize business inefficiency for any length of time.
>
> One reason business—especially big business—can respond to change quickly is that basically it is in the business of change. Business depends heavily on forward planning, and planning is the orderly management of change.
>
> Another reason—

If I could, I would heavily underline this passage, Mr. Speaker.

> —is that business itself produces more change, probably, than any other institution. Through its research and development programs. Through new technology it develops and applies. Through new plants it builds. Through its need to be a good employer. Because its own long-term self-interest dictates a better life for people everywhere. Because it must face facts and think rationally about what may appear to be unthinkable.

If there is a measure of uncertainty, it is precisely because this government has moved to respond to change for the very purpose of meeting the needs and challenges of the 1970s. The leader of the Conservative party may rejoice in the belief that neither he nor his party has to face facts or to think rationally about what may be unthinkable, but I am convinced the Canadian people have enough plain, ordinary common sense to know that they cannot indulge in the same luxury if they hope to

deal in a sensible way with the problems of today and tomorrow.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I appreciate the opportunity of following the hon. member for Calgary South (Mr. Mahoney), who referred to his comments as his maiden speech in his new ministry. After listening to him very carefully I would suggest that his speech sounded a bit to me like the demented ravings of an old lady rather than a maiden. As the Leader of the Official Opposition (Mr. Stanfield) said today, this gives us an opportunity to make a few kindly remarks about the government and its activities and also its lack of activity.

The non-confidence motion reads in part:

> That because the government has failed to produce measures to create employment, has failed to encourage investment in Canadian industry, and has caused widespread uncertainty as to its programs—

And so on. I heard the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault), a very jovial gentleman, throw some figures around this afternoon like a drunken sailor.

Mr. Perrault: They were all accurate.

Mr. Muir: I do not know whether the hon. member would know that they were accurate; he was reading them and they were probably prepared for him. Then the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Howard) likewise threw all kinds of figures around. We then had the great member from Calgary South, the minister of something—I do not know what it is, but whatever it is he is not doing a very good job—throw around a lot of figures.

Let me tell the House that no matter how many figures these members throw around, it does not change the fact that according to the latest figures on unemployment published by the Dominion Bureau of Statistics there are 642,000 people out of work in Canada today, an increase of 15,000 over the previous month at a time when normally the figure should be going down.

I can be corrected if I am in error, but surely there must be close to 100,000 people in training across the country. I do not suppose they would be classified as unemployed. Then, again, I would think there are another 100,000 in Canada, if not more, who have become weary and disgusted at the futility of going to Canada Manpower offices in search of work, who cannot find it not because of the ineffectiveness of the public servants in the Manpower offices but because these people have no employment to offer.

The previous speaker referred to the fact that the leader of the opposition did not suggest measures to remedy many of these situations. I do not know where the hon. member has been. Time and time again the Leader of the Opposition has proposed in this House, as well as outside it and on radio and television, many measures that could be taken to improve the economy. But the hon. member opposite just does not want to listen.

An hon. Member: None today!

[Mr. Mahoney.]

Mr. Muir: I do not think the hon. member was listening today. But does it have to be right now, or five minutes ago? Does his memory not go back one, two, three months or even a year? The Leader of the Opposition was telling hon. members opposite how wrong they were when the then minister of finance, the present Minister of National Defence (Mr. Benson), was playing around with the budget and the income tax bill. It has all come to pass. The leader of the opposition was correct in many of his assumptions; he has been proven correct.

In any event, let me talk about unemployment in the Atlantic provinces. The unemployment rate, seasonally adjusted, is 6 per cent across Canada but 12.1 per cent in the Atlantic provinces.

Mr. Perrault: Lower than it was last spring.

Mr. Muir: That is completely incorrect. With regard to the island of Cape Breton—these are not my estimates but those of action groups and welfare officials in Sydney and other areas—there is an unemployment rate of anywhere from 20 to 25 per cent, despite LIP and the Opportunities for Youth program. I suggest to the Parliamentary Secretary to the Minister of Manpower and Immigration that these are temporary measures, providing employment for a short period of time. This is all well and good and we are very glad that those taking part thought of something. The government was bankrupt of ideas and could not think of anything to provide employment so it said, "Okay, you fellows; provide something and we will give you the money." I am glad the government has done this, but what permanency is there in these programs so far as employment is concerned? I suggest these jobs last only a few weeks or a few months.

• (2030)

Then we had the holus-bolus idea of throwing grants out in various areas to people who are wasting the money. I have discussed this matter with members of the government. There must be some way of checking more carefully on the use of this money. Other people have had extremely good ideas which have been rejected because they are not unique. I will not go into that question now because we will have more time later on to do so.

Let me say this to those hon. gentlemen who say we have made no suggestions. They have allowed freight rates in the Atlantic provinces to increase time and time again under this administration. They have done nothing about this. As a result, businessmen as well as labour in the area are concerned. One businessman told me the other day that he sent to Guelph for a small piece of equipment which cost $3.90, and it cost $4.20 to ship it to him.

No matter how often members of the government side stand in this chamber and say there are many thousands more working now than a month ago, six months ago or ten years ago, this does nothing for the 800,000 who are not working. I am looking at some Ontario members who perhaps do not face this situation, but in Cape Breton, Nova Scotia and throughout the Atlantic provinces we come in contact with people who are well trained and willing to take any type of job but cannot find employment.

There was a man in my office when I was at home over the weekend who is a well trained cement finisher. I worked with him in the coal mines some years ago. He has a wife in the hospital, and a very sick child. He has tried everywhere to obtain employment. I have contacted Manpower on his behalf, but he cannot get employment. I finally said that we would have to get welfare for him, and he blew his top. He said he was not going on welfare; he wanted to work. He then said he was sorry for blowing up at me and realized that I was trying to do something for him. He said he had not been on welfare ever during his lifetime and did not want to go on welfare now. This is the heartbreaking type of case involving people who cannot find employment that we become aware of every day. There are thousands of cases like this. We can mention all the figures we want in this House, but that will not help the situation.

The government and this man who is part-time Prime Minister have created a climate of uncertainty in the public service, uncertainty in the ranks of organized and unorganized labour, uncertainty in the business world and uncertainty in the armed forces. These people do not know where they will be tomorrow, and even senior officers in the service are speaking out about the situation. The government has created a climate of uncertainty in the fishing industry and in almost every area one could mention.

This government and our part-time Prime Minister have created a climate of uncertainty all across the land. What do they intend to do about unemployment? When are they going to put people back to work? Let me quote from a memorandum presented to the Prime Minister (Mr. Trudeau) and the government of Canada on March 6, 1972. These are the remarks of a Cape Bretoner. I am not referring to the President of the Privy Council (Mr. MacEachen) but to Donald MacDonald, president of the Canadian Labour Congress. He states in this brief:

> When we appeared before you a year ago, we said that never before had we felt such a profound sense of concern about the affairs of our nation.

He went on to say:

> High unemployment, which has long afflicted Canada, continues to be the number one national problem. Not only was there no let-up, no relief from this scourge in 1971, but, on the contrary, the unemployment rate rose to its highest level in ten years.

He went on to say that when he appeared before the Prime Minister a year earlier he expressed considerable pessimism, which was called unjustified, about the prospect of any significant dent being made in unemployment for the year ahead. He said:

> But we are not in a mood to say that "we told you so". We are not in a mood to score debating points over an issue involving the plight of hundreds of thousands of Canadian workers and their families. Furthermore, as pessimistic as we were on that occasion, we could be properly chastised today for not having foreseen more clearly the degree to which unemployment would accelerate in 1971. The sorry fact is that the official unemployment data indicate only too clearly that 1971 was a year of disaster.

This was a year of disaster under a part-time Prime Minister who in the last few months has shown his great interest in the House and in the monarchy! Even today he sat in the House while the Leader of the Opposition made a speech. We have seen this under the Pearson government, the St. Laurent government, the Diefenbaker government and the Mackenzie King government, but we have not seen it often under this Prime Minister: he will not even take the time to listen to the Leader of the Opposition or the leader of the NDP. He might get some good ideas, but he will not listen. The Prime Minister can say many things in the comfort of his Cadillac, but not here.

We heard the Parliamentary Secretary to the Minister of Industry, Trade and Commerce say that the Leader of the Opposition was spreading doom and gloom. He is a great comedian but he did not get any laughs. He did receive a little bit of applause from two nuts on the government side who had nothing else to do, but he received no applause from his other colleagues. He accused the Leader of the Opposition of spreading doom and gloom. No one has to spread doom and gloom today; it is an actual fact. The people of Canada are fed up with the arrogance and complacency of someone who does not realize, does not know and has never experienced unemployment. He has never had the feeling of having to meet the rent or the grocery bill with his pockets empty.

Liberal members say this government did not create unemployment. This government certainly did create unemployment, as was mentioned by the hon. member for Winnipeg North (Mr. Orlikow). The Prime Minister said in December, 1969, that we should watch the government because it was going to defeat inflation no matter what happened. He said that unemployment could go up to 6 per cent or even higher and he would not worry about it. Those were his words. I can understand his lack of concern. This is a man who does not worry about unemployment.

The Minister of Labour (Mr. O'Connell) and the Minister of Manpower and Immigration (Mr. Mackasey) are willing to give consideration to many things but they are always overruled. They are not among the top echelon of this government. They are not part of the troika or the three or four who run this country. They do not have the opportunity to do something about unemployment.

He did not suggest to the Lapalme workers that they should eat cake. Whether the Lapalme workers were right or wrong, do you in reality and good sense, Mr. Speaker, think the Prime Minister should push a button in his air conditioned, bullet-proof car and yell out the window at people who are demonstrating? This is the man who talked about participatory democracy. He did not tell them to eat cake, but something far worse. This is the attitude of our so-called Prime Minister. What was said to one hon. member when he asked the Prime Minister a question about unemployment? What the Prime Minister said, later turned out to be "fuddle-duddle". Those of us who were here know what he said.

On another occasion an hon. member from Newfoundland was speaking on behalf of his constituents who needed employment. But this great man sits over there, looks across at the Conservatives, the NDP and Social Credit members and says, "These peasants, what are they questioning me about? I know what is good for the people". We know how much time he spends in this House. For three years he roamed all around the world, and finally this year he sticks a lot closer to home. Is he looking after the unemployed, or is he planning an elec-

tion? He even spends more time in this House which he treats with arrogance.

• (2040)

This is the kind of man we have for Prime Minister. What is he doing for the unemployed except putting up just two or three speakers who say there are so many thousands of people doing this and that. One can use statistics and computers, but this will not put bread on the tables of the unemployed. How long must we put up with this climate of uncertainty?

Now I will get closer to questions concerning my constituency. The Cape Breton Development Corporation took over, from the Department of Transport, the Point Edward industrial park two years ago. The union there cannot negotiate. The operation was taken over but was not legally transferred from the Department of Transport. Time and time again we attempted to have something done about this. On june 10 the Minister of Regional Economic Expansion (Mr. Marchand) wrote a letter to me saying:

> I am sorry to have been slow to reply to your letter of March 18. I have been waiting for what I hoped would be Devco's finalization of arrangements about the Point Edward industrial park.
>
> While these have not yet been completed, there is no question of the men concerned losing benefits that they had when they were employees of the Department of Transport. That was a commitment.

These men are losing benefits, so apparently it was not a firm commitment. There is a climate of uncertainty in the public service. I supported and voted for the official languages bill and I believe it is a wonderful thing but, like the hon. member for Grenville-Carleton (Mr. Blair), I have concerns and worries about it for the simple reason that an eligibility list that was set up in Cape Breton some months ago, and which should have been good to June 15, 1972, is to be changed. It was established on December 20, 1971, and dealt with the positions of five customs officers in North Sydney and Sydney. As of June they are going to do away with the eligibility list and thereby deprive the people who have written the exam of the opportunity of employment. They are to use a list under which bilingualism is a prerequisite. Like the hon. member for Grenville-Carleton I do not think we should move so fast on these matters. However, I voted for the languages bill and I still believe it is a good bill. I believe in B and B, but are we to destroy the bread and butter features of this whole situation?

We talk about unemployment. The Minister of Labour is on record as saying that it takes a lot of courage to create unemployment. This government created unemployment. It slowed down the economy. It cooled it off so badly that it is frozen and the government cannot get it moving. Then the Prime Minister said, "Like it or lump it. If you don't like what I do, throw me out". The arrogance is there. This man is destroying our country not only economically but morally and in every other way. The sooner he is out of office, the better—and the better it will be for the unemployed.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, if I might be permitted to put into ordinary language the thrust of the motion we are discussing today, I would suggest that the thought which comes out of it is: Where are we headed? I believe this is the question which today is uppermost in the minds of the Canadian population. What is the direction, what is the hope in the future for the individual? What is the hope in the future for business? Really this is what we are talking about in this House today.

As I have said, the question which today seems uppermost in the minds of many people is that we in Canada seem to have lost a sense of direction. No one seems to know where we are headed. Business does not know. We have the example of the tremendous decrease in capital outlay in the first quarter of this year, and we have the statement made a few moments ago by the Minister of State (Mr. Mahoney) that all is well and that we should hang on a little longer because we will see a tremendous upsurge in the economy. This reminds me of some of the famous last words of the former minister of finance who had unemployment licked. He said we should just wait until the next report came out and then it would be seen that we had turned the corner. He was completely off the track because we had more unemployment and more inflation.

Agriculture does not know where it is headed. We have had all types of proposals for the agricultural industry. We have had announcements about farm enlargement. We have had task forces recommending that inefficient small farmers be moved off the farms, retrained and placed in other occupations. Then we have had the latest one, the family farm enlargement program which the minister announced several months ago. This created a lot of interest and enthusiasm among the younger farmers in this country who were preparing to enlarge their holdings. This is the program under which the older farmer could remain in the house on the farm and would not be uprooted while the young fellow took over. The minister knows all about it but the head office of the Farm Credit Corporation does not know anything about it. They do not know when it is to come into effect. The minister, however, grabbed all the publicity he possibly could from a very nebulous type of program which has not yet been implemented. There is always hope that it may come about.

• (2050)

Labour leaders, business leaders, teachers, brokers, firemen, bootmakers and even the proverbial candlestick-maker—no one knows what way to turn. But what does emerge from all of this is that we have one absolutely concrete thrust: this government, aided by its computers, academics and associated eggheads and its power-hungry adherents, seems to feel it has a God-given right that it is better qualified to spend the citizen's money and to order his life than he himself. That is the only genuine thrust.

Let us take an example. We have heard talk in this chamber, over lo these many years, about the CDC, the Canada Development Corporation. Now, at long last, this worthy organization through its chairman has offered to take Polymer Corporation and the Northern Navigation Company off the hands of the Canadian public. It has offered to take over these well-run, efficient Crown corporations. I say to the CDC that if it wants a challenge, it should be interested in taking over the CBC or the CNR. I

question the value of this organization except to build up more government bureaucracy.

It is my humble opinion that some reasonable income tax incentives directed toward investment in Canadian industry and development would be far more practical and effective. Further, there would be no necessity for more empire building. Surely somebody, some organization could come up with a list of projects including resource development, manufacturing and services—investment in which one could enjoy tax incentives. If individuals were helped in this way, I believe it would do more in one year to get ownership of our resources into Canadian hands than the CDC will accomplish in its lifetime. But instead of giving reasonable incentives we establish another bureaucracy. The thrust is still there, Mr. Speaker. Under government supervision we are to invest in the Canada Development Corporation. And if you do invest, be prepared to pay capital gains tax. Again we have Big Brother looking over our shoulder and telling us what it is best to do.

I do not think there is need for me to dwell on the so-called tax reform measures that we had before us in the House last year except to ask, where are the 100 or so amendments promised by the former minister of finance as he slowly pulled away and sank into the sunset, buried forever in the Department of National Defence, the place where we have three, or is it five non-commissioned officers for every private? Is this the stuff of which confidence is built?

What about the great improvements to the Post Office promised by that fearless administrator from Duvernay? He accomplished one thing, and that was higher taxes. Here I refer to postage as a tax. The tax is away up and services are away down. Now once more we have the possibility of six-day service. There is an interesting little piece in today's Ottawa *Journal* about that matter:

> Around the world with Liberal efficiency! To save money, the five-day mail week. To save more money, back to the six-day system.
>
> What does the government take us for? Perhaps Mr. Côté thought that confession would make him seem a refreshingly different kind of politician, or would at least be good for his soul.
>
> Well, maybe. But it is an open admission that the Post Office has not known what it was doing, that the vaunted business efficiency and reforms which Eric Kierans was supposed to have introduced were pure myth—
>
> What Canadians do feel strongly about is being gulled by cabinet ministers who have been trying to sell higher mail rates and poorer service at the same time.

That is the whole thrust of this debate. Where are we going? What are we getting for our money? A few years ago the government presided over the death of an industry in southwestern Ontario. It paid $1 million to farmers in southwestern Ontario not to grow sugar beet. Of course, that was during an election period. All that was needed to save the industry at that time was a little government direction, a statement to the effect that we should have a national sugar policy, that we as Canadians must produce a percentage of our own needs. Instead, the industry was allowed to die. The result has been depression among the farmers in that area.

That decision took 20,000 or 30,000 acres of land out of production. Yet this afternoon the Minister of Agriculture (Mr. Olson) had the temerity to say—I think I quote him fairly accurately—that the situation is better now than when the industry was closed. He was replying to a question by my colleague from Kent-Essex (Mr. Danforth) who was referring to an article in the *Globe and Mail* of April 22 which stated that Austin Sugar Refineries Ltd. of Montreal plans to build a refinery in Cornwall. I think it is great that Cornwall should have a refinery. That company will receive a $665,000 incentive grant which will produce 100 to 110 jobs. But all this will be, in effect, is a bagging operation. Cane sugar is to be imported, refined a little and bagged at Cornwall.

A little money invested in re-establishing a whole industry in southwestern Ontario could provide 200 or 300 jobs, plus added income from diversification by hundreds of farmers in the area. We are not a designated area and that may have some bearing on the situation. But we are not receiving direction from government on how to establish a genuine, made-in-Canada sugar policy. That is what is wrong and that is what we are missing.

• (2100)

When the sugar industry in southern Ontario was phased out, the farmers had to diversify. But they did not receive any direction from this government. In Essex, Kent, Middlesex, Lambton—all over the southern part of Ontario farmers tell me that it is extremely difficult, if not impossible, to get a contract today to grow tomatoes. They are anxious to get into the business. The Department of Agriculture must know that, and if the minister were on his toes he would pass the information along to the Minister of Regional Economic Expansion (Mr. Marchand). It does not seem to me that he has bothered to do this. If he had, why would this government give a grant of over half a million dollars to Catelli Foods, which I understand is a subsidiary of General Foods in the United States, to establish a plant in the St. Lawrence area? The sole purpose of this plant is to process tomato paste imported from Portugal, Spain, Italy, Yugoslavia or wherever it can be bought cheaply. This goes on whilst Canadian farmers cannot obtain contracts to grow tomatoes because there are not enough contracts to go round.

No wonder people are asking where we are going. Mr. Speaker, I say it is time that we in Canada established our priorities and a common sense of purpose, which we have not been doing in the past. Leacock's description of the horseman who mounted and then rode off in all directions is a classic example of this government. On January 1, 1972, the Minister of National Health and Welfare (Mr. Munro), with great fanfare announced that there would be no more cigarette advertising on radio and television—down with tar and nicotine! Virtually on the same day that $200,000 was spent on an anti-smoking campaign, the Department of Regional Economic Expansion made the following announcement:

> Dominion Cigarette Tube Company Limited of Montreal will receive an incentive of approximately $48,000 for a new plant to produce cigarette paper tubes which will employ an estimated 67 persons. The development incentive is based on a rate of 5 per cent of the approved capital costs, estimated at $300,000, plus $500 for each new job created.

Alleged Failure to Alleviate Unemployment

Mr. Deputy Speaker: Order please. I regret to interrupt the hon. member, but I must do so to advise him that his time has expired.

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, the no-confidence motion tabled by the hon. Leader of the Official Opposition (Mr. Stanfield) reads and I quote:

> That because the Government has failed to produce measures to create employment, has failed to encourage investment in Canadian industry, and has caused widespread uncertainty as to its economic programmes—

My colleagues, the hon. Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) recalled this afternoon certain measures which the government had taken to promote employment. The Minister of State (Mr. Mahoney) also mentioned tonight the incentives and other measures to which the government had resorted.

I would like to speak at this point about our exports which are of great importance for the maintenance and creation of jobs in Canada.

This is why the government, through the federal Department of Industry, Trade and Commerce, offers our national industry a very large choice of tools in order either to help Canadian exporters break into new foreign markets, or consolidate and develop their position on already existing ones.

The department has also initiated commercial negotiations, particularly to improve the conditions of access of Canadian products to foreign markets. Our trade commissioners have granted 80 stations in 57 countries a financial assistance similar to that recently accorded to facilitate the establishment of submissions concerned with investment projects abroad, to prospect new markets and adjust marketing.

For some years past, commercial and departmental delegations have increasingly served as instruments for commercial promotion. They play a very important role in the endeavours of Canada to diversify her trade and increase her exports to markets other than the United States.

This does not mean, Mr. Speaker, to transfer our exports from the American market to other markets, but rather to keep and strengthen our position in relation to the United States, and do better elsewhere.

Here are a few economic and ministerial missions which have done their task in 1971 and early 1972. From April 14 to 22, 1971, a Canadian trade and industrial mission visited the Federal Republic of Germany in order to establish stronger commercial bounds between that country and Canada. The Minister of Industry, Trade and Commerce (Mr. Pepin) headed this mission which included 28 Canadian businessmen and industrialists, as well as representatives of the federal and provincial governments. The delegates visited major trade and industrial centres in Germany, including Bonn, Dusseldorf, Cologne, Frankfurt, Hanover and Wolfsburg.

• (2110)

Canada established diplomatic relations with the People's Republic of China on October 13, 1970. In order to promote Sino-Canadian relations in all areas, an economic and trade mission led by the Minister of Industry, Trade and Commerce (Mr. Pepin) visited China from June 28 to July 4, 1971. This mission was composed of representatives of various federal departments, namely Industry, Trade and Commerce, Agriculture, National Revenue, Energy, Mines and Ressources, and External Affairs. There were also representatives of various trade and industrial organizations in Canada, of groups connected with agriculture, forestry, pulp and paper, mining, manufacture, chemicals, industry, trade, banking, engineering, exports and imports. Those people had friendly and constructive talks with Prime Minister Chou En-Lai, with the ministers of external trade, of agriculture, of forestry, and of light industry, as well as with the deputy ministers responsible for the metallurgic industry, the fuel industry, and the chemical industry.

From November 17 to 24, 1972, the Minister of Industry, Trade and Commerce was in Rome, and when he left the Italian capital, he went to Algeria, where he led a trade mission composed of 17 Canadian businessmen and a group of public servants and Crown corporation officers.

From December 6 to 18, 1971, a group of 12 Canadian agriculture experts led by Mr. R. P. Poirier, Assistant Deputy Minister of the Department of Agriculture, took part in an agriculture and trade mission to the U.S.S.R. The purpose of this mission was to explore opportunities for information and technology exchanges, with a view to reaching licensing agreements, and eventually to increasing trade between our two countries in the agricultural and commercial fields.

In December 1971, a trade and economic mission headed by the Minister of Industry and Commerce went to Morocco in search of ways and means of developing closer trade and economic ties with that North African country.

With a view to increasing our efforts to sell manufactured good on the Japanese market, the Minister of Industry, Trade and Commerce headed a trade mission which visited Japan from January 21 to 29, 1972; 31 business and industrial representatives accompanied him. This was the largest Canadian delegation of its type ever to go to that country. During the same period, economic and ministerial missions came to Canada from various countries including the USSR and Japan.

Mr. Speaker, other means, including participation in industrial exhibitions and fairs and others, both national and international, were used to stimulate our sales promotion. This promotion is being pursued in close co-operation with the private sector of industry, the federal government and, in some cases, with provincial authorities.

There has been Canadian participation to a certain number of fairs and exhibitions. During the first week of March 1971, 15 Canadian corporations took part in the New England Boat Show in Boston. At the 52th National Conference and Educational Exhibition of Restaurants, Hotels and Motels held in Chicago from May 22 to May 26 1971, 26 Canadian corporations exhibited goods such as

equipment, kitchen furniture and food products for the restaurant, hotel and motel industry. For the second year, the Department of Industry, Trade and Commerce was sponsoring Canadian participation to that event. Canadian editors, English-speaking as well as French-speaking, for the first time shared a stand at the 61st International Book Exhibition held in Dallas (Texas) from June 20 to June 24 1971.

At the beginning of December 1971, ten Canadian textile manufacturers who had exhibited at the Interstoff Show held in Frankfurt (Germany) obtained orders for some $6 million. Canadian sales of $6 million almost doubled compared with those of the previous show.

For the first time, Canadian products will be shown at an exclusively Canadian commercial exhibition in Peking from August 21 to September 2, 1972. The exhibition, which will occupy an area of 140,000 square feet, will comprise a wide range of equipment and industrial products. It will be the largest Canadian exhibition ever organized—over 200 Canadian companies will show their products; the Department of Industry, Trade and Commerce will be responsible for this project and its organization. The participation of Canadian companies in such fairs and exhibitions has undoubtedly resulted in millions of dollars of orders placed at the exhibitions and for considerably larger amounts as a result of re-orders.

On August 15, 1971, the United States imposed a 10 per cent surcharge on imports, which has been discontinued as from December 20, 1971. As early as September 7, 1971, the Canadian government introduced an Employment Support Bill to offset the United States surcharge. On February 18, 1972, the Minister of Industry, Trade and Commerce announced that on December 31, 1971, a total of $3,311,703 had been awarded as grants to 178 firms by the Employment Support Board to protect 7,727 jobs.

Mr. Speaker, we must continue to look for new incentives, new ways and new methods of increasing our exports which, in 1971, represented $17.847 billion compared with $16.910 billion in 1970.

In closing, I would like to point out that the Leader of the Opposition stated this afternoon that the Minister of Finance (Mr. Turner) should present a budget. But I must tell him that he is a member of the party that was in power from 1958 to 1962 under the direction of the right hon. member for Prince Albert (Mr. Diefenbaker). Now, during that period, the Canadian government did not present any budget for a period of 16 months, that is from December 20, 1960 to April 10, 1962.

[*English*]

Mr. Baldwin: The country is a lot worse off now, with the mess the government has created. Conditions are terrible.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this afternoon the leader of my party moved the motion which is a searing indictment of the performance of this government in relation to the needs of the country at this time and in the years to come. We have been presenting motions during budget debates, Throne Speech debates and on various other occasions throughout the past three years, all to do with the same theme, namely, this administration's total inability to deal with the problems of inflation and employment and some of the problems of taxation.

Oh, yes, they have brought in tax changes. The same author who put on paper what the hon. member for Calgary South (Mr. Mahoney) said tonight must have written what went into the white paper on taxation back in 1970. In both cases there was the same prose by the flacks. There was hardly any change. Strangely enough, the hon. member's words seemed to be inspired by the sort of attitude that is often demonstrated by hon. members opposite, that is, that theirs is the inspiration of more than mortal men, that it is almost divinely inspired.

In their opinion, since they have been elected to this House, even though sometimes the people were deceived in electing them, they may assume the mantle of omniscience. Well, I listened to the former parliamentary secretary—I am sorry; he was the parliamentary secretary to the Minister of Finance but now he is the Minister of State attached to the Minister of Finance: perhaps we should call him the minister from Calgary South and leave it at that.

Mr. Baldwin: He will not keep that position for long.

Mr. Lambert (Edmonton West): He insistently called for alternative programs to be brought forward. Mr. Speaker, that hon. member has been here for four years. He delivered somebody else's speech tonight. He charged that the opposition, in presenting this motion, was critical of the government and suggested that although the Leader of the Official Opposition (Mr. Stanfield) disclosed a number of alternatives in certain fields, the alternatives did not constitute a totally alternative program. When his party was in opposition, did he think they presented a program of alternatives?

• (2120)

Mr. Béchard: Sure.

Mr. Lambert (Edmonton West): The hon. member was not even here in those years. He was not here from 1958 to 1962, so he cannot tell. In any event, it is not part of the program. Many members opposite, including the Minister of State, have had their nominations. They are expecting an election. However, we will not get the government's program. We have not heard of it. We have not heard of the program from members to my left. The program of this party will be disclosed. An election campaign is the time for disclosure of programs and the choice to be made is for the people. But what does he think when the Leader of the Opposition talks about tax cuts on building materials? What about tax measures with regard to corporations? What about credits for capital gains paid on death as against succession duties? They are specific fiscal measures.

What does the Minister of State want? If he wants more, there are the recommendations of the joint committee of the Canadian Bar and Canadian Chartered Accountants with regard to the tax measures planned which the Minister of State spent so much time lauding this afternoon. All he did was sit stolidly for three or four months last fall while members of the opposition and some members on the government side tried to get improvements made to

the bill. The minister received his recompense for sitting there stonewalling.

The then Minister of Finance did not dare face this House to put through his bill; he had to get someone else to do it. We know he went to the Senate. It would be hard to say he bribed the Senate, but I will say that he certainly conned the majority of the members of the Senate with promises of early tax changes before they became completely and utterly bound up in the web of the economy and our taxation system. What happened? We have not heard one iota about those tax changes.

We asked the Minister of Finance (Mr. Turner) to give us a budget. He must give a financial accounting of what has happened since last June. He could tell us that he intends to present a budget in the early part of May and what measures the government is going to take. Is there going to be a budget, or is this House going to be dismissed for an election and the Canadian electorate told to lump it, so that the government will not have to disclose the financial state of the nation until perhaps September? Is that what is going to happen?

Is the Minister of Finance afraid to disclose that the budgetary deficit may be between $1 billion and $1,200 million? Is the government afraid to disclose its foreign ownership policy? Is this going to be leaked, or will it come out in a way in which it cannot be debated? The hon. member says it will be debated during an election campaign. That is not a debate that is subject to the searching scrutiny of this House.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): How many meetings does the hon. member think he is going to address in his constituency in order to explain foreign ownership? How many people does he think he can get together in the spring of the year? There is no way the government can explain that policy to the people. It is only as a result of continuous debate in this House that the weaknesses in any program can be exposed to the public.

We will see how bankrupt of ideas this government is with regard to foreign ownership. What is the government prepared to do? Are they going to be a party of repression? Is this to be a program of repressive regulations, thou shalt nots, or are we to go out and ask people to have faith in Canada and encourage them to invest in their industry? That is something that can be done. That is part of our program in so far as incentives may be offered.

The government talks about uncertainty. The greatest uncertainty has been in the field of business ownership in this country. In 1968 this government brought forward the most savage Estate Tax Act one could contemplate. It is absolutely punitive in its levies. It was disguised under public legislation but it is a system of legalized plunder and piracy by people motivated by desire for the have-nots to take from the haves. This is an antiquated tool that has no place in the Canadian economy. The estate tax was eliminated in 1971 by Bill C-259. However, some of the provinces rushed in to increase or impose succession duties. Also, the Canadian public is still faced with a capital gains tax. All this creates uncertainty. The regulations for capital gains were not published until the other day. The same thing applies to corporations. There was a great rush to have the act effective January 1. For months Canadians did not know the bulk of the tax regulations. They are not even out yet in respect of partnerships.

This is supposed to be an administration that talks of certainty. Certainty? What a mockery they have made of the word. It is uncertainty with regard to foreign ownership and it is uncertainty with regard to the activities of the Canada Development Corporation, another supposed jewel in the crown of this administration. All they have done is name a president and a few directors. Nothing has happened with regard to the Canada Development Corporation. They have decided to do something only for a few milk cows in the form of Crown corporations, those that are paying returns. If a Crown corporation is not paying any dividends and is not in a profit position, it will not be taken over by the Canada Development Corporation. The transparency of that move should be apparent to the blindest member of this House.

• (2130)

I am pleased to see that in many ways the province of Quebec, in the budget delivered the other night, saw that going after succession duties, as has been done by so many provincial administrations, was self-defeating and that they are moving ultimately to eliminate them. I am glad the province of Ontario is trying to get out of that field. I hope some of the other provinces follow the example which was set by my own province in this respect. Alberta did not even get into succession duties, because succession duties and the heavy level of death duties has been one of the greatest contributors to foreign ownership of Canadian industry. This has been the cause of great uncertainty over the years.

The Minister of Regional Economic Expansion (Mr. Marchand) has been charing about the country disposing of grants here, there and everywhere, unworried whether the operation in connection with which the largesse is being dispensed would be closed in a couple of years or that maybe a plant 50 miles away would be closed as a result. It is all a matter of the amount of money involved. The big question is: where has the bulk of money been spent, and what has been the result? This is what we want to know. After all, it is money from British Columbia too. I can see that the hon. member for Vancouver South, the Minister of Veterans Affairs (Mr. Laing), knows how much money—

Mr. Laing: I resent paying $13 million to Alberta.

Mr. Lambert (Edmonton West): Alberta contributed a great deal more. This illustrates some of the difficulties. I know that one plan in Alberta is entitled to get up to $15 million, but the net result is that the pulp mill in Ocean Falls will be closed as a result of the operation of a new plant such as the one in Alberta.

Mr. Laing: There is no connection.

Mr. Lambert (Edmonton West): It is all part of an industrial pattern. The province of British Columbia has not benefited from it; the province of Alberta has not benefited. We have seen more industries close. The minister from Calgary South frowns. Let him ask the minister of economic development of the province of Alberta, or he

could ask the deputy minister or the ex-deputy minister. They could tell him how many industries have closed in Alberta because they could not compete or get enough capital for necessary development because it was being given to other regions of the country. This is part of the price one has to pay.

Last year when we were examining the estimates of the Economic Council of Canada I moved a motion that the Economic Council, which has plenty of authority to do this work, should conduct an objective assessment of the policies and programs of the Department of Regional Economic Expansion. Authority to do this is specifically mentioned in the act setting up the council. But no: government members were too frightened of it and the motion was thrown out. But the motion was right. This is the sort of thing the Economic Council was designed to do.

The present administration is creating more uncertainty by putting pressure on people in the Economic Council to change its attitude so that it might be more amenable to government wishes. We remember the criticism the deputy minister of finance directed toward the Economic Council. He does not feel he has an amenable tool under his control. It is all very well to discourage the chairman from continuing, and to have the vice-chairman transferred to another position. If this administration were to continue, we would see what would happen to the Economic Council. The council was not telling the government the things it wanted to hear; this is why changes were proposed and why changes are being made in the council.

The limit of my time is now approaching, Mr. Speaker, and I should like to make two further comments. With regard to the relationship between the government of Canada and the provincial administrations I would say this: the Prime Minister (Mr. Trudeau) allegedly made his national reputation on television because of the way he dealt with the late premier of the province of Quebec. He was to be the man who would save national unity.

The Secretary of State (Mr. Pelletier) said this was to be the great issue. Ask the Secretary of State what he thinks now about the relationship between the Prime Minister of Canada and the Premier of British Columbia, after the statement made by the Prime Minister. What does he think about the relationship between the Premier of Alberta and the Prime Minister? Has he read the speeches of the Premier of Alberta in recent days? What about Ontario? What about Quebec? We see there is a change in pattern. Is there a relationship on all hands which tends to unify Canada? Oh, no; the Prime Minister is setting about the ears of the premiers of the provinces. Does he get more co-operation from them now than he did in 1968 when he took office? If he believes so, he is the only one who is under that illusion. He is under an illusion and to that extent there is greater uncertainty.

The amendment to our motion moved by the New Democratic Party calls for a tax system which would ensure a fairer distribution of wealth. Well, income tax as it now exists is a means of redistributing wealth. There is nothing specific in the amendment. We would certainly like to see greater changes in the Income Tax Act, including much greater incentives. There would be a more equal distribution of income to all Canadians as a result of such changes. To this extent we are prepared to accept their amendment. Anyway, it is another indictment of this administration and it is very difficult to restrain oneself from making such indictments. This government have worn out their time and they should go.

Mr. Max Saltsman (Waterloo): Indeed, Mr. Speaker, the Liberals have worn out their time and they should go, but the hon. member for Edmonton West (Mr. Lambert) has done very much the same thing to me.

I listened with great interest, as I always do, to the speech of the hon. member for Calgary South (Mr. Mahoney). While I was listening, I was trying to make up my mind which of two things was happening. Had they elevated the hon. member for Calgary South to such an exalted position that he could speak on behalf of the government in this important debate, or was the government so contemptuous of the arguments which the opposition was putting forward, and so unfeeling about unemployment, that they did not feel called upon to ask the Minister of Finance (Mr. Turner) or the Prime Minister (Mr. Trudeau) to speak in this instance?

When we examine the argument which the Minister of State put up, it becomes obvious why the government sent a boy to do the job. The arguments fall apart. What the government is saying, in effect, is this: We have created more jobs than have been created in other countries; our labour force is larger. It is therefore not our fault there is so much unemployment; it is the fault of the people who decided to snuggle up to each other in this country about 20 years ago.

In fact, the government has known for 20 years that this situation would arise. That is not their fault; they simply ignored the problem, hoping that it would go away. But it did not go away and so we are faced with this shameful situation. The Liberal government stands indicted for its lack of foresight and its inability to solve the problems that face this nation.

• (2140)

I was particularly upset when the hon. member for Calgary South spoke with such feeling about tax reform in Canada. There has been no tax reform in this country and he, better than most, should know that. The government has backtracked on every single measure it has brought in; it has not stuck with anything. One of the reasons we have so much unemployment in this country is the failure of the taxation system to move us away from resource development to manufacturing industry.

The Liberal party, as it relates its activities to the businessmen of this country, might draw some inspiration from Shakespeare. It seems as though they are deserting the Liberal party and have found a new favourite in the Conservatives. I understand the Conservative party are loaded with money and are as proud as punch of it. They have all kinds of money because the traditional friends of the Liberals have deserted them. This reminds me of the speech of Cardinal Wolsey, who turns and with great sadness says:

O Cromwell, Cromwell!
Had I but served my God with half the zeal

Division

I served my king, he would not in mine age

Have left me naked to mine enemies.

Had the Liberal party paid as much attention to the ordinary things in this country as it has to backtracking and meeting the objections of the businessmen, then I do not think they would face the rather desperate situation they will face in the coming election. Having given everything away, they have the nerve to say that they brought in tax reform in Canada. Admittedly, there were some changes made to exemption levels. Indeed, no measure can be totally bad. But tax reform it was not.

Despite the fact that there has been no capital gains tax for years, when the Liberal party finally decided to institute such a tax it was only half a tax. The oil industry still retains its privileges. The government of Alberta, the province from which the hon. member for Calgary South comes, is having difficulty with the oil industry at the moment. They are shafting Alberta as they have been shafting others. I read in the newspapers that industry is moving into Alberta but that the oil industry financed all its exploration work by tax concessions received from the United States government.

This oil industry has now found a new love. It is in the north, with the Eskimos and the bears, polluting the environment. It is in an area that is nice and clean and has hitherto been untouched. It is now getting money from the people of Canada to move into the north.

Mr. Speaker: Order. It being 9.45 o'clock p.m. it is my duty, pursuant to Standing Order 58 (9), to interrupt these proceedings and forthwith put every question necessary to dispose of the motion now before the House.

The House divided on the amendment (Mr. Lewis) which was negatived on the following division:

(Division No. 11)

YEAS

Messrs:

Aiken
Alkenbrack
Asselin
Baldwin
Barnett
Bell
Benjamin
Blackburn
Carter
Crouse
Danforth
Dinsdale
Douglas
Downey
Flemming
Gleave
Grills
Gundlock
Harding
Harkness
Hees
Horner
Howard (Skeena)
Howe
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Edmonton West)
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McKinley
McQuaid
Marshall
Mather
Mazankowski
Moore
Muir
Murta
Nesbitt
Noble
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Ritchie
Rock
Rowland
Ryan
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomson (Battleford-Kindersley)
Winch
Yewchuk—70.

[Mr. Saltsman.]

NAYS

Messrs:

Allmand
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Borrie
Boulanger
Caccia
Cafik
Chrétien
Clermont
Comtois
Corriveau
Côté (Longueuil)
Crossman
Cullen
Cyr
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
Loiselle
MacEachen
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
O'Connell
Olson
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Prud'homme
Reid
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Yanakis—109.

Mr. Speaker: I declare the amendment to the motion lost. The question is now on the main motion.

The House divided on the main motion (Mr. Stanfield) which was negatived on the following division:

(Division No. 12)

YEAS

Messrs:

Aiken
Alkenbrack
Asselin
Baldwin
Barnett
Bell
Benjamin
Blackburn
Carter
Crouse
Danforth
Dinsdale
Dionne
Douglas
Downey
Flemming
Fortin
Gleave
Godin
Grills
Gundlock
Harding
Harkness
Hees
Horner
Howard (Skeena)
Howe
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McKinley
McQuaid
Marshall
Mather
Matte
Mazankowski
Moore
Muir
Murta
Nesbitt
Noble
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Ritchie
Rock
Rowland
Ryan
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomson (Battleford-Kindersley)
Winch
Yewchuk—78.

NAYS

Messrs:

Allmand
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Borrie
Boulanger
Caccia
Cafik
Chrétien
Clermont
Comtois
Corriveau
Côté (Longueuil)
Crossman
Cullen
Cyr
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
Loiselle
MacEachen
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
O'Connell
Olson
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Prud'homme
Reid
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Yanakis—109.

Division

• (2210)

Mr. Speaker: I declare the motion lost. It being after ten o'clock, this House stands adjourned until two o'clock tomorrow afternoon.

At 10.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, April 25, 1972

The House met at 2 p.m.

PRIVILEGE

MR. CARTER—ALLEGED MISLEADING ANSWER BY MINISTER OF FISHERIES RESPECTING ATLANTIC SALMON REGULATIONS

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I wish to raise a question of privilege arising out of information given to the House by the Minister of Fisheries on a matter within the administrative responsibilities of the government. The facts are these: On April 13, 1972, as recorded in *Hansard*, pages 1294 and 1295, I asked the minister if he could tell the House whether it was his intention to announce new salmon fishing regulations to become effective during the forthcoming salmon season. The minister replied that no new regulations were to be announced. The government would, he said, be repeating those made last year to make sure that the fishermen fully understood the announcement made in 1971 with regard to 1972 and future years.

Yesterday, Mr. Speaker, ten days later, the minister announced the closure of the commercial salmon fishery dependent on salmon runs returning to the Saint John, Miramichi and Restigouche rivers and to the south coast of Newfoundland. This closure is to commence next month and continue for about six years. This statement was made to the House on motions.

Obviously, Mr. Speaker, the scheme proposed at great length by the minister was not thought up instantaneously. It must have preceded, in its formation, his answer to my question of ten days before. It would have been quite simple for him to reply then that he preferred not to answer my question as he expected to make an important announcement respecting the salmon fishery in a few days. Instead, Sir, he chose to mislead the House.

With your approval, Sir, I wish to move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan):

> That the Standing Committee on Privileges and Elections forthwith inquire into and report upon the matter of the information given by the Minister of Fisheries upon behalf of the government relating to the salmon fishing regulations in the Atlantic provinces on the 13 April, 1972, to the House and the announcement made by the minister in the House on the 24 April, 1972, respecting the closure of certain salmon runs in the Atlantic provinces to commercial fishing over a period of years.

Mr. Speaker: The hon. member for St. John's West has given the required notice under the Standing Orders. I am sure that the hon. member, as a member of long standing in the House of Commons, knows the rules. He knows, as all hon. members do, that a dispute arising between two members as to allegations of fact does not fulfil the conditions of parliamentary privilege. I refer the hon. member to citation 113 of Beauchesne's Fourth Edition. If the hon. member is making a charge against another hon. member, citation 127(2) would apply. Briefly, it reads in part as follows:

> Unless discussion is based upon a substantive motion drawn in proper terms, reflections must not be cast in debate upon the conduct of . . .

I drop down a few lines.

> . . . members of either House of Parliament—

In other words, if the hon. member wants to make a charge against another hon. member of the House he must do so in the usual way by drafting a motion which may be the subject of a discussion and vote. The hon. member knows what the usual implications are for the member who is making a charge. The motion as proposed at the present time cannot qualify as privilege and cannot be put.

ROUTINE PROCEEDINGS

FINANCE

TABLING OF ECONOMIC REVIEW

Hon. John N. Turner (Minister of Finance): Mr. Speaker, pursuant to Standing Order 41(2) I hereby propose to lay upon the table of the House an economic review, being a general review of recent economic developments.

Mr. Baldwin: It should be edged in black.

* * *

BUSINESS OF THE HOUSE

PROCEDURE FOR DEALING WITH MOTION OF MEMBER FOR FUNDY-ROYAL RESPECTING ATLANTIC SALMON FISHERY

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I think it has been agreed that the motion I wish to propose under Standing Order 43 will be discussed as the first item of business after the question period has expired.

Mr. Speaker: I wonder whether the hon. member would indicate for the guidance of the Chair and of other hon. members what the motion is. Perhaps it might be put now under the terms of Standing Order 43. It would be helpful if the hon. member were to indicate the content of his motion.

Mr. Fairweather: The motion proposes that the Canadian House of Commons speak to the International Commission for Northwest Atlantic Fisheries which is meeting in Washington in May. It was my hope, and I think I have

the agreement of House leaders and others, that there could be a unanimous declaration by the House of Commons of Canada.

• (1410)

Mr. MacEachen: Mr. Speaker, I rise on a point of order to state that the hon. member was good enough to circulate his proposed motion. Certainly the government is agreeable to having the motion put. It is suggested that when the motion is put after the question period a spokesman for each party might be permitted to speak to the motion for a maximum of ten minutes. Under those conditions we would be happy to have the motion put at that time.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this is in conformity with what has been agreed to among us.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

HOUSING

RESPONSE OF PROVINCES TO PROPOSED CHANGES IN NATIONAL HOUSING ACT—REHABILITATION GRANTS—ASSISTANCE TO MIDDLE-INCOME GROUP

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have some questions for the Minister of State for Urban Affairs. He is not in the House, even though he is on the roster to be here today.

An hon. Member: Here he comes.

Mr. Stanfield: Mr. Speaker, I did not realize what power I have in this House.

Some hon. Members: Hear, hear!

Mr. Trudeau: See what you can do with your own members.

Mr. Stanfield: I wish to ask the minister who has just arrived what response he or the government has received from the provincial governments to the changes he has proposed in the National Housing Act, and can he state when these amendments will be introduced in the House?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, it is too early to indicate any response. A little while ago I indicated to the provinces some general proposals we have for the development of a housing policy and asked for their comments. That process of consultation, which I believe the Leader of the Opposition is committed to as we are, is still going on. Therefore it is really too early for me to indicate any response. As to when the legislation will be introduced, this to some extent will also be determined by the nature of that response.

[Mr. Fairweather.]

Mr. Stanfield: It sounds as though the minister has received some response but is not prepared to indicate what it is. In the field of rehabilitation grants which the minister is suggesting and which are to be matched by the provinces, can the minister say what specific response he has received to this proposal, particularly from some of the less well-to-do provinces which might have difficulty in matching these proposed grants and thereby be unable to get the benefit of this rehabilitation program?

Mr. Basford: Mr. Speaker, there has been no response at all on any of the proposals because the process of sending teams to talk to the provinces is a process that is going on right now. When we receive that response we will be introducing legislation which I am sure will be the most progressive and reformative housing legislation ever introduced in this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: I wish the minister would not indulge in this kind of understatement, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Stanfield: I should like to ask him whether he is considering giving a somewhat better deal to families in the middle-income group whose incomes are such that they cannot qualify for low-income housing and yet are not high enough to enable them to take advantage of CMHC loans? Has the minister any plans for families within this gap? Is he, for example, proposing to take any action with regard to land banks? Does he contemplate measures to reduce the price of serviced land which seems to be in very short supply in many areas?

Mr. Basford: Last year, of course, we produced houses in record numbers and the record will again be broken this year. The government is familiar with the problems the Leader of the Opposition mentions and we are certainly endeavouring to introduce policies and legislation aimed at correcting some of them.

SUGGESTED INCREASE IN FUNDS FOR HOUSING FOR INDIANS

Mr. Mark Rose (Fraser Valley West): Bearing in mind the interest taken in low-income groups as far as housing is concerned, I should like to ask the member of the government who is replying for the Minister of Indian Affairs and Northern Development whether it is intended to increase government assistance toward the funding of housing for Indians. I ask this question in light of the article by Mr. Stan Bailey in the *Globe and Mail* last Saturday calling attention to the frustratingly limited resources available for Indian housing at the moment.

Mr. Speaker: Has the hon. member a supplementary question to ask?

Mr. Rose: Since no one is speaking on behalf of the Department of Indian Affairs and Northern Development, may I direct my question to the Prime Minister?

Right Hon. P. E. Trudeau (Prime Minister): I will take note of the question on behalf of the minister who I am sure will be glad to look into it.

REQUEST FOR TABLING OF REPORT ON LOW-INCOME HOUSING

Mr. Jack Marshall (Humber-St. George's-St. Barbe): In view of the fact that the Charney report contradicts the glamorous statements being made on the direction of moneys to low-income housing, and since the minister said yesterday that it is part of a larger report, would he table that larger report so that we can ascertain what the difficulties and weaknesses are?

Hon. Ron Basford (Minister of State for Urban Affairs): As I indicated the other day, Professor Dennis is still working on the editing of all of these reports.

CHANGES IN NATIONAL HOUSING ACT PROPOSED TO PROVINCES—REQUEST FOR PUBLICATION

Mr. John Gilbert (Broadview): My supplementary is directed to the Minister of State for Urban Affairs in charge of the most expensive housing in the world. Since the proposed amendments to the National Housing Act have been communicated to the provinces and to the housing authorities of the provinces as a basis for consultation and possible legislative changes, would the minister make the same proposals available to the general public, more especially to municipal governments and citizens groups, and would he refer the subject matter to a committee of the House so that we might study the ideas put forward and call on experts to give evidence relating to this matter?

Hon. Ron Basford (Minister of State for Urban Affairs): I am following the course which was proposed by the leader of the hon. member's party when we last discussed housing. He indicated that before any amendments to the National Housing Act were introduced they should be submitted to the provinces for discussion and comment, and that is the course of action we are following. I have indicated to the municipalities that they are free, within the terms of their relationship with the provinces, to be consulted by the provinces on any proposals we shall be making or have made. I understand that some of the provinces are arranging to consult with municipalities accordingly.

Mr. Gilbert: Will the minister assure hon. members that the intended legislation will constitute a comprehensive housing program embracing a wide range of income groups rather than a program which will segregate people into ghettos whose occupants are to be determined on an income basis?

Mr. Speaker: Order. The hon. member's question is argumentative.

Inquiries of the Ministry

STEPS TO REDUCE COST OF SERVICED LAND AND RELAX NHA MORTGAGE CONDITIONS

Mr. James A. McGrath (St. John's East): Would the minister tell us what steps the government proposes to take to reduce the cost of serviced land, especially for people in the middle income bracket? What steps is the government prepared to take to relax the conditions of NHA mortgages, again for the benefit of people in the middle-income group?

Mr. Speaker: Order. I hope the minister can reply briefly to this question which is of a very general nature and normally should be replied to by way of a statement on motions. The minister will be recognized for the purpose of making a brief reply.

Hon. Ron Basford (Minister of State for Urban Affairs): I have received representations from the housing industry in connection with some of these problems and they are being considered. I hope to indicate my response very shortly. Also, other steps will be taken in the legislation which will be introduced in the House.

• (1420)

ACTION TO INCREASE ACCOMMODATION FOR SENIOR CITIZENS AND MODERNIZE BUILDING CODE

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question, Mr. Speaker. Would the minister advise whether the lack of accommodation for senior citizens, which seems to be becoming widespread across the country, has been taken into consideration, whether it is high on the minister's priority list, and what steps he is about to take to alleviate the situation?

Mr. Speaker: Again I think this is a very general question, but the minister might be allowed to reply briefly.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, it is very high on the government's list of things that need improvement, though the record of accomplishment is very high. This is one of the areas in which legislation will be introduced.

Mr. Alexander: A further supplementary, Mr. Speaker.

Mr. Speaker: Order. The Chair will have to recognize the hon. member for Abitibi in a moment. Perhaps the hon. member for Hamilton West might be allowed his supplementary, then the hon. member for Greenwood, and then I will recognize the hon. member for Abitibi.

Mr. Alexander: Mr. Speaker, on the subject of housing I would ask the minister whether the government is going to take any action in this session to reform and modernize the building code to take into account climatic and other differences between various regions of the country? If so, will legislation in this regard be introduced shortly?

Mr. Basford: Mr. Speaker, this is not a legislative matter. A great deal of work is being done on modernizing and keeping modern the building code, and co-ordinating it between the different jurisdictions, but this is not a matter of legislation.

Inquiries of the Ministry

SUGGESTED RECONSIDERATION OF PROPOSAL TO PROVINCES RESPECTING REHABILITATION GRANTS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my supplementary is to the minister in charge of housing. In light of the fact that the proposals made by the government to the provinces emphasized the importance of loans and grants for the rehabilitation of the existing housing stock, would the government reconsider its proposal to make this conditional upon matching grants from the provinces, some of which may not be able to afford to enter into this program?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, all of these proposals—I am not sure to which ones the hon. member is referring—are in the process of consultation and deliberation with the provinces for the purpose of the formation of legislative policy. We are asking the provinces to comment on the various proposals that have been put to them.

* * *

[*Translation*]

MANPOWER

PURCHASE OF TRAINING AND FARM MANAGEMENT COURSES FOR FARMERS AND WIVES—DISCUSSION WITH QUEBEC

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Could he tell us if training and farm management courses are still being offered to farmers for next year and if any negotiations are being carried out with the province of Quebec concerning the purchase of these courses?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the whole question of courses held by the provinces, including the province of Quebec, is now under review by the appropriate officials, and I shall probably be able to make a more meaningful statement in a few weeks' time.

[*Translation*]

Mr. Laprise: Mr. Speaker, I have a supplementary question.

In order to allow the farmers' wives to contribute more to the success of the farm business, would the Minister of Manpower and Immigration try and negotiate with the province of Quebec the purchase of these courses for them?

[*English*]

Mr. Mackasey: I will certainly take that suggestion under consideration, Mr. Speaker.

[Mr. Basford.]

HOUSING

UNIT MASONRY AWARDS—REASON FOR NON-PARTICIPATION OF DEPARTMENT AND CENTRAL MORTGAGE AND HOUSING CORPORATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is addressed to the Minister of State for Urban Affairs. Can the minister explain why his department or Central Mortgage and Housing Corporation is not involved in the recent national program of awards in the use of unit masonry sponsored by the Department of Industry, Trade and Commerce and the National Design Council, a technique which might cut building costs for homes?

Hon. Ron Basford (Minister of State for Urban Affairs): Because the Department of Industry, Trade and Commerce is involved, Mr. Speaker.

Mr. McCleave: May I direct a supplementary question to the Minister of Industry, Trade and Commerce. Since this program has the title of BEAM within the Department of Industry, Trade and Commerce, would the minister direct some of that beam in the direction of his colleague?

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FINANCE

NATURE OF TABLED ECONOMIC REVIEW—EFFECT ON TRADITIONAL METHOD OF PRESENTING BUDGET

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. With the tabling of the document called "Economic Review", has the minister decided in his short period in office to change the traditional method of budget presentation in this House? Since this document is not yet available to hon. members, will the minister tell us whether this is the equivalent of the financial accounting as was part I of the economic papers?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, a decision was taken some months ago in the Department of Finance, which I confirmed shortly after taking office, to replace the economic white paper which for many years has been tabled at the time of the budget. It was decided to replace the white paper with a new annual publication which is entitled "Economic Review". It will be issued regularly and independent of any budget. The publication of this first issue today is the result of that decision last fall and has nothing to do with when the next budget may be presented to parliament. That date will be announced to the House in due course.

Mr. Lambert (Edmonton West): Mr. Speaker, removing this operation from certain local smokescreens that are prevalent at this time, will the minister advise the House whether this document is now an in-house document of the Department of Finance to compete with the annual review of the Economic Council of Canada, to which certain officials of his department have taken exception when it has been critical of the policies of the Minister of Finance?

Mr. Turner (Ottawa-Carleton): No, Sir, it is not. It deals with an economic review of the past fiscal year and some prospects as to the next fiscal year. In no way would it impinge upon the authority of the Economic Council of Canada to deal with medium and long-term economic prospects.

Mr. Lambert (Edmonton West): May I ask a last supplementary question. Will the minister advise the House why the notice that this document would be released at twelve o'clock today to the press gallery was withdrawn summarily, with the indication that the document was not to be published today?

Mr. Turner (Ottawa-Carleton): I can answer that question quite easily, Mr. Speaker. I believe a document ought to be tabled in the House before it is published anywhere.

Some hon. Members: Hear, hear!

POSSIBLE AMENDMENTS TO INCOME TAX ACT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, now that the Minister of Finance is backing gently into a budget, will he advise the House whether it is his intention to table in the House those amendments to the tax reform bill which his predecessor guaranteed to the Senate would be brought in at the time he pressured that body into rapid passage of that bill, in order that we may decide whether they are clarifying or only cosmetic?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I consider myself bound by the commitments of my predecessor and I hope I will be able to fulfil them at the appropriate opportunity.

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UNEMPLOYMENT INSURANCE

WIRE ROPE INDUSTRIES STRIKE—ELIGIBILITY OF CERTAIN WORKERS FOR BENEFITS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration who is in charge of the Unemployment Insurance Commission. It relates to a legal strike at Wire Rope Industries of Canada Limited, where steelworkers refused to cross a picket line. Yesterday a Supreme Court injunction in the province of British Columbia sent them back to work. Now they are being laid off by the company. Will the minister give an assurance that these people will not be declared ineligible for unemployment insurance? They have obeyed the law and gone back to work.

Mr. Speaker: Order, please. The hon. member is now arguing the case. The minister should be allowed to reply to the question itself.

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the hon. lady makes a very eloquent advocate. She knows I cannot give her such assurance and she knows there is a procedure whereby we do not supply unemployment insurance to people who are on strike. The question of when a picket line interferes with a person's legitimate right to work is one that has often been referred to the board of referees. It is quite possible and conceivable that this would happen in this case, and I would not want to jeopardize the outcome by anything I might say in the House.

Mrs. MacInnis: Mr. Speaker, will the minister investigate this matter himself with a view to seeing that fair procedures are followed?

Mr. Mackasey: Mr. Speaker, fair procedures are always followed in these matters.

Some hon. Members: Oh, oh!

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AGRICULTURE

OUTBREAK OF TAPEWORM INFECTION IN CATTLE IN SOUTHWESTERN ONTARIO

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Agriculture. Is he aware of the apparent outbreak of tapeworm infection in herds of cattle in southwestern Ontario?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, and we have taken action to try to resolve this problem quickly.

Mr. Nesbitt: Mr. Speaker, will the minister make a statement on motions at the earliest opportunity, informing the House of the nature, the danger and extent of the disease, and the compensation to be paid owners of condemned animals?

• (1430)

Mr. Olson: Yes, Mr. Speaker, if that appears to be an appropriate thing to do. I should advise you, Sir, that we have to deal with outbreak of disease problems all over the country that are extremely important to the locality, and it has not been the practice to make a statement on motions as to how we have dealt with them.

* * *

AIRPORTS

PICKERING TOWNSHIP SITE—DATE OF PUBLICATION OF EXPROPRIATION NOTICES—PROVISION OF ADEQUATE TIME TO THOSE WISHING TO INTERVENE

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question for the Minister of Transport which is related to the proposed new airport in Pickering Township. As many of those who wish to appear before the hearing officers under the provisions of the Expropriation Act are anxious to know the time frame available to them for preparation, is the minister able to inform the House when notice of expropriation will be published in the Canada Gazette, which marks the first day of the 120-day expropriation period?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker, I cannot give the specific date, but as for assuring there will be adequate time for intervention of any sort by any interested party I think I can assure the hon. member that we will certainly bear that in mind.

Mr. Cafik: I have a supplementary for the Minister of Transport, Mr. Speaker. In view of the fact that the time frame at the moment could extend to as much as two or three months and considering the fact that this is causing uneasiness on the part of people in my riding, would it be possible for the minister to check this matter out with the Minister of Public Works, under whose responsibility the preliminary investigations are taking place, with a view to giving us an announcement at least indicating—

Mr. Speaker: Order, please. The hon. member has asked the question and perhaps he might allow the minister an opportunity to reply.

Mr. Jamieson: Mr. Speaker, I think I got the gist of the question. The answer is yes. I will consult with the Minister of Public Works and we will try to get a specific date as quickly as possible.

PICKERING TOWNSHIP SITE—PROVISION OF INFORMATION TO MEMBERS OF PARLIAMENT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, in view of the fact the minister, together with the hon. member for Ontario and the hon. member for York North, is meeting a deputation tomorrow morning from the neighbourhood of the proposed side of the new international airport and in view of the fact that the project eventually will cost several billions of dollars and will affect the whole region and indeed the whole of Canada, will the minister make sure that the information provided by him to the delegation tomorrow is made available to all hon. members as soon as possible?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am surprised that the hon. member would suggest anything to the contrary. If I recall my words of Friday last, they certainly indicated that it is my intention to make it available, of course, to all members.

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TRANSPORT

INQUIRY AS TO RAILWAY APPLICATION FOR GRAIN FREIGHT RATE INCREASE TO COVER COST OF ROLLING STOCK

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. Has there been any application, or does he have any knowledge of an application, by the railways for an increase in grain haulage charges in view of statements by senior railway officials that tariffs on grain haulage are not large enough to cover the cost of rolling stock?

Mr. Speaker: While the question is being considered by the government—the Minister of Finance.

[Mr. Cafik.]

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I think the hon. member meant the Minister of Transport and he turned off when he heard my name mentioned. Perhaps the hon. member would repeat the question.

An hon. Member: He has been turned off for a long time.

Mr. Ritchie: Mr. Speaker, I have a question I should like to direct to the Minister of Transport. Has there been any application, or does he have any knowledge of an application, by the railways for an increase in grain haulage charges in view of statements by senior railway officials that tariffs on grain shipments are not large enough to cover the cost of rolling stock?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I think that claim was first made about 1890 something in respect of rolling stock and the cost of carrying grain. To my knowledge no such formal application has been made, but I will take a look and find out for the hon. member.

* * *

OIL

UNITED STATES POSITION REGARDING CANADA AS SOURCE OF SUPPLY

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. When he was in Washington recently consulting with the United States Secretary of the Interior, was he informed that the United States administration did not regard Canada as being nearly as bright a prospect for oil imported by the United States as it did two or three years ago, as announced by Secretary Connally last week? If so, what reasons were given?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): No, Mr. Speaker. Secretary Morton did not have the viewpoint of his colleague.

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AIR CANADA

REASON FOR REDUCTION IN NUMBER OF FLIGHTS FROM WINNIPEG TO EUROPE

Mr. Doug Rowland (Selkirk): Mr. Speaker, I have a question for the Minister of Transport. Can the minister inform the House and his deskmate why Air Canada has reduced the number of flights departing for Europe from the port of Winnipeg from two to one per week, thus inconveniencing western Canadians and increasing the congestion at the already overcrowded facilities at the ports of Toronto and Montreal?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, a question of this sort I have to take as notice and get a reply from Air Canada.

FINANCE

SUGGESTED PROVISION IN BUDGET OF INCENTIVE TO CANADIANS TO INVEST IN COUNTRY'S RESOURCES

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, this question is directed to the Minister of Finance. If and when the minister brings down his budget, will he give consideration to providing a significant incentive to encourage Canadians to invest in our own resources?

Hon. John N. Turner (Minister of Finance): Yes, Sir.

Mr. Speaker: Obviously that is a representation.

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[*Translation*]

THE CANADIAN ECONOMY

NEW POLICY RESPECTING FOREIGN INVESTMENT—POSSIBLE LIMITATION OF BORROWING BY PROVINCES OUTSIDE CANADA

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the right hon. Prime Minister.

Yesterday, replying to a question about investment policy, he said that announcement of this policy would come sooner and clearer than anything said in this House so far. Well, can the right hon. Prime Minister tell the House whether his government intends to restrict powers of provinces wishing to contract certain loans outside Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is something we cannot do without changing the constitution itself, but it is common knowledge that the previous Minister of Finance had suggested that the provinces, in so far as possible, restrict their external loans because of their effect on the rate of the Canadian dollar. By and large, the minister, I believe, reported to the House that the provinces were being co-operative in this field. The government has no intention of forcing the provinces into any action whatsoever in an area which comes under both provincial and federal jurisdiction.

UTILIZATION OF BANK OF CANADA TO ASSURE DEVELOPMENT —DISCUSSION WITH PROVINCES

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask the Prime Minister a supplementary question.

In view of what he has just said concerning the financial problems of the provinces and increasing provincial and federal debts, I would like to ask him whether he intends to consider before long with provincial authorities the eventual recourse to the credit of the Bank of Canada to ensure the normal development of the country and reduce our rising foreign debt?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me that this question has already been asked and, if I am not mistaken, no constructive and relevant solution has been put forward even from Créditiste provincial premiers.

Inquiries of the Ministry

POSSIBILITY OF PROVINCES BORROWING FROM BANK OF CANADA

Mr. André Fortin (Lotbinière): Mr. Speaker, a supplementary.

Does the Prime Minister mean that if the provinces asked to be allowed to borrow from the Bank of Canada, the government would agree?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have just said that that theory, of which we only have a glimpse here, is not even applied by the government elected to apply it. I therefore cannot answer about a hypothesis as remote from reality as is that of the member.

Mr. Fortin: I rise on a point of order, Mr. Speaker.

The Social Credit provinces have already asked, and the federal government stated the possibility was *ultra vires*, that the provinces have their own credit to ensure their own development.

Mr. Speaker: Order. This is a debate between the hon. member and other hon. members.

* * *

• (1440)

[*English*]

TRADE

SUGGESTED REVAMPING OF EXHIBIT IN JAPAN TO PROMOTE CANADIAN EXPORTS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. In view of the prime importance of expanding Canadian trade with Japan, can the minister inform the House whether, after the dismal performance of Can Ten in Japan, the whole program will be revamped to emphasize Canadian business opportunities rather than pop art figurines and psychedelic art?

Mr. Speaker: I have some doubts regarding the form of the question, but the minister seems anxious to reply and perhaps he should be allowed to do so.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am trying to reconcile the different parts of the question and to answer the constructive ones and not the others. With respect to the exhibit in Japan, the question should be addressed to another minister. I am not passing the buck. The buck has already been passed because the Exhibition Commission is no longer under the jurisdiction of my department; it has been under Information Canada for a couple of years.

Some hon. Members: Oh, oh!

Mr. Pepin: I do not know about the exhibit because I have not seen it. It was not a trade exhibit but a cultural exhibit, I understand.

On the subject of trade with Japan, I think we are experiencing difficulties now with our exports to Japan because production in Japan is undergoing a slowdown. It is expected that things will pick up in Japan in the coming months and that consequently our exports should too.

Mr. Danforth: In view of the prime importance of demonstrating in Japan every availability of business opportunities for Canadians and for industrial output to Japan, will the minister, since his department is involved financially, look into the matter to see whether this exhibit cannot be used for more useful purposes?

Mr. Pepin: Since my department is not involved financially, I will have to pass the buck to whoever is responsible—

Mr. Speaker: Order, please.

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NATIONAL CAPITAL

ASSISTANCE TO COMMISSION TO RETAIN RIDEAU STREET CONVENT AS HISTORIC SITE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of State for Urban Affairs in connection with his responsibility for matters relating to the national capital. In view of the interest of the National Capital Commission in preserving at least a part of the Rideau Street Convent as an historic site, is the minister taking steps to assist the National Capital Commission in achieving this goal?

Hon. Ron Basford (Minister of State for Urban Affairs): There was an attempt to work with the owner of the property for the preservation of the building and that failed. That is where the matter stands now, except that I understand there have been some discussions with the Historic Sites and Monuments Board.

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EXTERNAL AFFAIRS

OFFER OF GOOD OFFICES BY UNITED NATIONS SECRETARY GENERAL RESPECTING VIET NAM WAR—CANADIAN POSITION—REPRESENTATIONS TO UNITED STATES

Mr. Heath Macquarrie (Hillsborough): My question is directed to the Acting Secretary of State for External Affairs or the Prime Minister. In light of the initiative taken by the Secretary General of the United Nations in making available his good offices in the settlement of the regrettably escalating conflict in Viet Nam, can the minister advise the House whether the Canadian government was consulted on this matter and whether it is lending its support and encouragement to the Secretary General in his efforts toward bringing to an end this tragic and long continued conflict and, if so, have the views of this government been conveyed to the government of the United States?

Hon. C. M. Drury (President of the Treasury Board): I will take notice of that question on behalf of the Secretary of State for External Affairs.

FINANCE

POLICY RESPECTING MAINTENANCE OF FREE FLOATING CANADIAN DOLLAR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. In view of the upward movement of the Canadian dollar with respect to the United States dollar despite the assurances given to the contrary by the previous minister of finance—

Mr. Benson: Be careful.

Mr. Baldwin: He heard you.

Mr. Stanfield: —I should like to ask the present Minister of Finance whether it is his policy to continue to maintain a free floating dollar, to maintain the clean float followed by the previous minister?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the policy followed by my prodecessor was clean and it remains a clean float.

Some hon. Members: Oh, oh!

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POLLUTION

THREAT FROM PROPOSED TAPS TANKER ROUTE—REQUEST FOR RENEWED REPRESENTATIONS TO UNITED STATES, INCLUDING LIMITATION OF TANKER CAPACITY

Mr. D. W. Groos (Victoria): My question is for the Prime Minister, Mr. Speaker, and I regret that I have not given him notice of it.

Some hon. Members: Shame!

Mr. Groos: Observing that operations were commenced yesterday by United States authorities to survey the waters in the approaches to Bellingham, Washington, and off the Cherry Point refinery to a depth of 90 feet to allow for the safe passage of 500,000 ton oil tankers, and observing that these tankers would be four times as large as those now being built for the possible servicing of the Cherry Point refinery from Valdez, Alaska, will the Prime Minister make known once again to the United States government the Canadian government's increasing concern and apprehension over the possible use of the Juan de Fuca route for massive shipments of oil and at the same time—

Mr. Speaker: Order, please. The hon. member will appreciate, I am sure, that a question such as this one is so long as to qualify more as a speech than a question. I would invite the hon. member and others who ask questions which in my estimation are too long to attempt to shorten them to reasonable limits.

Mr. Groos: I apologize for the length of the question but I felt that perhaps some explanation was necessary. The nub of the question is whether the Prime Minister would make known our concern over this matter, and in particular would do his utmost to persuade the United States

government to set a maximum limit on the capacity of tankers permitted to use this route?

Right Hon. P. E. Trudeau (Prime Minister): I thank the hon. member for drawing this very important matter to my attention. He might be relieved to know, and so would his constituents, that in the meetings I had with President Nixon a couple of weeks ago we did discuss this matter of shipping on the Pacific and indeed on the Atlantic coasts, and the desirability of referring that subject to the International Joint Commission. The Secretary of State for External Affairs also discussed the matter at some length with his opposite number, Mr. Rogers, and I am sure these considerations will be percolating down from the top of the American administration to other levels of government.

* * *

EXTERNAL AFFAIRS

VIET NAM WAR—PLANS FOR POSSIBLE EVACUATION OF CANADIANS IN VIEW OF INCREASED HOSTILITIES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Prime Minister in view of the absence today of the Secretary of State for External Affairs. In light of the increased hostilities in Viet Nam, is any effort being made to assess the situation of Canadians in Viet Nam and the possible need for an evacuation program, and more specifically the situation with regard to Canadian aid projects such as hospitals and the like in Viet Nam? I wonder whether the Prime Minister or the Secretary of State for External Affairs will be in a position shortly to give a detailed report on this question?

Right Hon. P. E. Trudeau (Prime Minister): I will be happy to take notice of this important question on behalf of the Secretary of State for External Affairs.

* * *

POLLUTION

THREAT FROM PROPOSED TAPS TANKER ROUTE—POSSIBLE REFERENCE TO INTERNATIONAL JOINT COMMISSION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is supplementary to the one asked by the hon. member for Victoria and I wish to direct it to the Prime Minister. Can the Prime Minister say whether as a result of his meeting with President Nixon the International Joint Commission will be instructed to expand its role to deal with pollution problems on both coasts and whether it will be dealing with the possible pollution danger from the TAPS tanker route should it proceed?

Right Hon. P. E. Trudeau (Prime Minister): Some parts of the question may have escaped me but I think I got the gist of it. What I said was that I had discussed the subject with the President and made the suggestion from the Canadian side about the International Joint Commission. There was no American response to that particular suggestion beyond the one that they would look at the matter. On the general subject of pollution, I repeat that the President shared the concern that we have and indicated that his own government was looking into all these matters. Indeed, this was demonstrated the next day by the signing by the President himself of the agreement concerning pollution in the Great Lakes.

Mr. Speaker: We will be running short of time in a few moments. The hon. member for Athabasca will be recognized on a supplementary, and then we will move on to the hon. member for Brant.

THREAT FROM PROPOSED TAPS TANKER ROUTE—APPROVAL OF POSSIBLE APPLICATION TO BUILD PIPELINE DOWN MACKENZIE VALLEY

Mr. Paul Yewchuk (Athabasca): My supplementary question is for the Minister of Energy, Mines and Resources, Mr. Speaker. In view of the fact the Canadian government has indicated a preference for the Mackenzie Valley route, can the minister indicate whether, on the basis of the research information that has been collected, he is now in a position to approve an application for the construction of a pipeline down the Mackenzie Valley and, if not, how soon he expects to be in a position to do so?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Under our system, application for a pipeline approval is made not to me but to the National Energy Board. The chairman has been responding to questions on this point in the standing committee dealing with my departmental estimates. I have indicated in previous statements that as soon as this season's field studies have been completed in the north we would anticipate that by about the end of 1972 the board would be in a position to entertain applications. That is to say, we will have been able to put the board in possession of all the requisite information. I would refer the hon. member to the details of the over 30 studies which are now being carried on into the various aspects of the pipeline, which were tabled in the House several weeks ago.

* * *

• (1450)

THE CANADIAN ECONOMY

FOREIGN OWNERSHIP OF RESOURCE INDUSTRIES—DATE OF ANNOUNCEMENT OF POLICY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources. In view of the fact the minister is reported between quotes in the *Globe and Mail* as having said last Saturday in Elliott Lake that the government policy on foreign ownership of resource industries will be announced "in about seven weeks", and in view of the fact the Prime Minister yesterday informed the House that the minister made no mention of seven weeks, would the Minister of Energy, Mines and Resources care to search his memory and clarify this issue for the House?

Inquiries of the Ministry

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I have done so and I can confirm that the report was mistaken.

Mr. Knowles (Winnipeg North Centre): What did you say?

Mr. Blackburn: Whatever date might have been mentioned by the minister, would he care to inform the House whether the policy on foreign ownership of resource industries will be a part of the over-all government policy on foreign ownership?

Mr. Macdonald (Rosedale): Mr. Speaker, I made no reference to a policy on the foreign ownership of resource industries. I made reference to a policy which has already been announced in the House several times with respect to both an energy policy to come forward later this year and also a mineral policy. I also made reference in the same interview to the fact that my colleague, the Minister of National Revenue, will undoubtedly be bringing documents before the House in the near future on the question of foreign ownership. My surmise is that the reporter put the two statements together.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Brandon-Souris and then the hon. member for Bellechasse.

* * *

POST OFFICE

REQUEST FOR STATEMENT ON PROGRESS OF CONTRACT NEGOTIATIONS WITH UNIONS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Postmaster General. Now that a month has passed since the expiration of the contract with the postal unions, will the hon. gentleman be making a progress statement to the House on the matter in order to ease the tension referred to by the president of the Letter Carriers' Union recently?

Hon. Jean-Pierre Côté (Postmaster General): A report on the negotiations?

Mr. Dinsdale: That is my question—in view of the growing tension referred to by the president of the Letter Carriers' Union recently.

Mr. Côté (Longueuil): No, Mr. Speaker.

Mr. Dinsdale: Has the government yet made a specific offer on job security and wages to the postal unions in the negotiations?

Mr. Côté (Longueuil): Mr. Speaker, I think it was the desire of the postal unions that this problem not be discussed in the House.

[Mr. Blackburn.]

[*Translation*]

AGRICULTURE

ALLEGED INSUFFICIENCY OF MILK PRODUCTION—SUGGESTED MODIFICATION OF QUOTA STANDARDS

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

Since milk production will be inadequate for the requirements of this country during the next season, will the minister recommend to the CDC some changes in the standards governing the allocation of subsidy quotas?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have already announced that later this year, when we get into the heavy production season, if the demand level and the production level are such that it would be possible, we will consider re-introducing the 10 per cent over-quota threshhold before applying the holdback.

* * *

AIR TRANSPORT

COMPULSORY INSTALLATION OF CRASH POSITION INDICATORS IN PLANES

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, I have a question for the Minister of Transport. Several months ago the minister indicated he was going to establish in Canada a list of criteria and regulations for the compulsory installation of crash position indicators. We never heard any more of this and I would like to know whether the minister is ready to table that list of regulations at this time?

Hon. Donald C. Jamieson (Minister of Transport): Not the regulations, Mr. Speaker. I met last week with the Canadian owners and pilots association who undertook within a matter of a few days to give me a statement on how this might practically be advanced. I would hope to have that information fairly soon.

Mr. Speaker: Order, please. Before calling orders of the day the Chair will recognize the hon. member for Hamilton West.

* * *

ADMINISTRATION OF JUSTICE

REQUEST FOR ACTION FOLLOWING REMARK BY JUDGE CONCERNING INDIANS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is really for the Minister of Justice but as he is not here and because of its importance I would refer it to the Prime Minister. I refer to the press release by the Native Council of Canada who are quite perturbed at how quickly the provincial government moved regarding a Justice of the Peace and how slowly the federal government is moving regarding Judge George Collins who apparently has insulted the entire native population of

Canada with his description, "just another stupid Indian"—

Mr. Speaker: Order, please. The hon. member should ask his question.

Mr. Alexander: Mr. Speaker, I should like to ask the Prime Minister, who I am sure is aware of the peculiar anomaly that exists, if he would advise the Minister of Justice to deal with this matter immediately so that we can be informed of the government's thinking regarding Judge Collins and the statement that he made, particularly in view of how quickly the province of Ontario moved in similar circumstances?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would not want to comment on the circumstances described by the hon. member but I shall be glad to remind the Minister of Justice about this matter and have him pursue it.

Mr. Speaker: Orders of the day. The hon. member for Fundy-Royal will now propose a motion.

• (1500)

SPECIAL ORDER

FISHERIES

ATLANTIC SALMON—MOTION REQUESTING INTERNATIONAL COMMISSION FOR NORTHWEST ATLANTIC FISHERIES TO ADOPT MEASURES TO ENSURE SURVIVAL OF SPECIES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, as provided by Standing Order 43, I move:

Whereas the Atlantic salmon is the most threatened fish in the North Atlantic,

And whereas only by a concerted international effort can an agreement be reached to protect salmon from being over-fished,

And whereas it is the position of the government of Canada that Canada has the exclusive right to harvest salmon that spawn in Canadian rivers,

This Canadian House of Commons calls on all the nations participating in the International Commission for Northwest Atlantic Fisheries Meeting in Washington, D.C. in May, 1972 to agree that the survival of the Atlantic salmon as a species is of paramount concern and to take whatever steps are necessary to ensure such survival.

Mr. Speaker: Before recognizing the hon. member for South Shore, and without getting involved in any way in the procedural difficulties, I think I ought to point out to the hon. member for Fundy-Royal (Mr. Fairweather) that the "whereas" clause in the motion should not properly be part of the motion itself. The motion should begin with the word "that" and that would be the last paragraph. The hon. member's motion would be "that this Canadian House of Commons etc." I do not mention this in order to cause any difficulty but merely by way of guidance in the drafting of motions.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome this opportunity to speak in support of the resolution moved by my colleague the hon. member for Fundy-Royal (Mr. Fairweather). As stated yesterday, many of us on this side of the House were surprised and concerned at the announcement made by the Minister of Fisheries (Mr. Davis) which outlined the unilateral action being taken by this government to close the commercial salmon fishery in parts of Atlantic Canada. I say we were surprised, Mr. Speaker, because this action can only create further unemployment in Atlantic Canada, an area which has already suffered greatly as a result of the actions of this government.

This action, which will affect, according to the minister, some 900 commercial fishermen in Atlantic Canada certainly leaves them in grave doubt concerning their financial future. Quite frankly, I am concerned over the timing of the minister's announcement. I say this because he is well aware of the meeting to be held by ICNAF, the International Commission for the North Atlantic Fisheries in Washington in May. At this meeting there will or should be delegates from Canada, from Denmark, France, Germany, Iceland, Italy, Norway, Poland, Portugal, Roumania, Spain, the U.S.S.R., Great Britain, the U.S.A. and Japan, the 15 nations who are members of the international commission.

These countries are all members of ICNAF or the Northeastern Atlantic Fisheries Convention known as NEAFC and should all be there. Under these conventions, the North Atlantic fishing nations are pledged to co-operate in protecting and conserving the fish stocks of the North Atlantic. Surely, Mr. Speaker, the representations which have been made by Canada, by the United States of America and by other concerned countries, should have served notice on all ICNAF members that not only were our own salmon stocks in danger of extinction but that this danger applied to haddock, sole, cod, herring and many other species as well. However, today, Mr. Speaker, we are dealing with a motion concerning our salmon and salmon fishermen, and I cannot help but wonder why this government and this minister took unilateral action against our own Canadian salmon fishermen when we are so close to the date of the international meeting in Washington. Hopefully, at that meeting we can obtain an international agreement leading to the use of common sense in conserving one of our basic resources.

As was said in the House yesterday and as is well known, the Danes are the worst offenders with regard to overfishing, followed by the Norwegians and the Swedes. Ever since the whereabouts at sea of our Atlantic salmon became known in the late 1950's and the early 1960's, because United States atomic submarines went under the ice in Davis Strait between Greenland and Baffin Island, on their way to the North Pole and saw millions of salmons suspended like icicles on the bottom of icebergs and iceflows, feeding on small shrimp, the fate of the Atlantic salmon has been sealed.

In 1965, the first year of the deep sea fishery, a total of 50 metric tons was caught in Davis Strait. By 1971, the catch had risen to 2,050 metric tons, or more than 4 million pounds. The impact of this excessive fishery on Canada is great. Our angling catch is down by 50 per cent.

Between 1966 and 1971 it declined by 50 per cent. Of great importance is the fact that between 1967 and 1971, Canadian commercial fishing, which accounts for almost 94 per cent of the total catch, has gone down by 60 per cent. The Danes claim that this is due to normal fluctuations; however, the constant decline in this resource would indicate otherwise. The development of the northern fishery and the steady decline of salmon stocks should indicate to Canadians and to other countries that this decline is simply not a coincidence.

We, as Canadians, have suffered in other ways, Mr. Speaker. We have suffered from the overfishing by the Danes, which has led to a loss in our own commercial fishery. This has lowered the incomes of our own commercial salmon fishermen. We have lost in yet other ways. In Atlantic Canada, we can no longer hold out the hope to tourists, whether they come from the United States or central Canada, that in Atlantic Canada they can catch salmon, the king of North Atlantic fish. The salmon was a great tourist attraction in our area, and the government's failure to act ever since the whereabouts at sea of the salmon became known in 1964-65 has cost us quite a penny in more ways than one, Mr. Speaker.

As the situation continues to deteriorate, another problem has come strongly into focus. Obviously, the Canadian taxpayer is subsidizing the Danish fishing fleet, at a time when other tax dollars are being spent to overcome threats to salmon while they are in Canadian waters. We are spending our tax dollars on pollution abatement, dam removal, surveillance and on the installation of fish ladders around natural and man-made obstacles. In addition, large amounts are being spent on continuing salmon research facilities. Since the Danes have no salmon rivers of their own, it is obvious that they are catching our salmon because without the enormous cost that is being paid to protect and improve our rivers, there would simply be no salmon.

This government must recognize that the Atlantic salmon is a very valuable natural resource. It must point out to all nations fishing in the North Atlantic that this fish is unique. It is entirely dependent on its river of origin for survival. This, Mr. Speaker, is a characteristic that is found in very few species of fish. We should—actually, we must—take the stand, unilaterally if necessary, that anadromous species such as salmon belong to the country of origin. We plead with the government to take that stand and we recommend that the minister make that position known forcefully when he attends the conference, which I hope is his intention, which is to be convened in May.

It is my understanding that a ban on high seas salmon fishing has been thoroughly examined by all the governments represented in ICNAF since Canada first raised the proposition in ICNAF during the 1967 meeting. A two-thirds majority of ICNAF and NEAFC members found the ban to be justifiable in terms of the powers of the two conventions, and the ban has been in legal effect for 12 members of ICNAF since early 1970. A few governments, namely, the Danish, the Norwegian and I believe the Swedish, continue to oppose the ban. This brings into question the over-all effectiveness of these two commissions and their ability to protect adequately our declining fishing resources.

[Mr. Crouse.]

It simply does not make sense for a few nations to make virtually all of the investment required to conserve and protect the Atlantic salmon while others reap a harvest from this fishery to which they have made no significant investment. In my opinion, if the Danes or any other country continue to fish our salmon on the high seas, we shall have to consider making a charge against them on a tonnage basis for salmon resource development as long as that resource lasts. It is my understanding that the Danish government has already given Canada a token contribution to help in salmon research, which indicates that their actions are already weighing heavily on their consciences. However, we have passed the stage at which we can talk of international quotas on our salmon. Only a total ban on international salmon fishing is acceptable to Canada. Only with the co-operation of Canadian anglers, anglers from other countries, the commercial fishing industry and all other users of our rivers can the king of fish be saved.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I feel the hon. member for South Shore (Mr. Crouse) has given an excellent summary of our position regarding the Atlantic salmon situation today. I am happy to join him in saying a few words in support of the motion put forward by the hon. member for Fundy-Royal (Mr. Fairweather).

Perhaps I should preface my remarks, particularly for the benefit of those who live on the Pacific coast of Canada where the salmon fishery is also of very great importance, by saying that when we talk about the Atlantic salmon we are talking about a different kind of fish than that usually referred to as salmon in British Columbia. I remind hon. members of the House that the fish on the Pacific coast that is most like the Atlantic salmon is the one we call steelhead, or the Pacific steelhead trout.

The question we are discussing today has been brought forward in a unique way. I hope the significance of this motion, after it has been passed unanimously by this House, as I hope it will be, will not escape the international community of nations that is concerned about the North Atlantic fishery. According to my recollection, what we are doing today in dealing with fisheries matters constitutes a "first". The things that are happening in the oceans of the world are coming more to the fore. I hope that responsible ministers and representatives of Canada who will attend the forthcoming meeting of the International Commission in Washington will not only draw attention to this resolution but draw to the attention of the other members of the commission everything said on this subject in this House yesterday and today.

In my hand I hold the most recent issue of International Wildlife, published by the National Wildlife Federation of the United States. In it there is an article by Thor Heyerdahl which, although not referring specifically to salmon as such, is pertinent. Referring to the Atlantic ocean and his impressions on crossing, the author says:

> Crossing the Atlantic on a papyrus boat, one is impressed not so much with the vastness of the ocean as by the fact that it is so very much smaller than we usually think it is . . .
>
> Although we are living in the era of moon travel, we cling to the pre-Columbian concept of an endless ocean running into the blue space of the universe. We do not admit to ourselves that the oceans are "landlocked" with all the sewers and all the refuse of the world constantly running into them, without any outlet. We have

almost destroyed Lake Erie and Lake Michigan, yet the Indians who lived on its shores centuries ago would have believed this impossible.

• (1510)

We hold political discussions on whether we should be permitted to dump waste inside or outside territorial waters. But there is no "territorial water" in an ocean; it is constantly rotating like a boiling pot.

As I said, that quotation does not directly refer to the situation of the Atlantic salmon, but it at least gives some picture of the body of water we are discussing when talking about a ban on the high seas fishing of salmon in the Atlantic.

The International Commission for the North Atlantic Fisheries is in many ways a rather unique organization, particularly as far as fisheries international organizations are concerned, because of the number of nations that are participating in it. I hope that the crisis which has developed in Canada with regard to the salmon fishery as a result of the minister's announcement yesterday, will impress the members of the commission with not only its uniqueness but its weakness. I suggest that very pertinent to the forthcoming meetings in Washington to discuss the salmon question may be an analysis of the weaknesses in the operation of the commission.

While the number of nations participating in some fishing conventions for the Pacific is smaller, nevertheless in actual practice they are in some ways much more effective because of the agreement on the actual take of fish. If one has any familiarity with the operation of the International Pacific Salmon Fisheries Commission and its work in restoring very severely damaged runs of Fraser river salmon, and any knowledge of the fact that at one time the North Pacific halibut was being fished almost to the point of extinction, both of which were brought back to fisheries that yielded major sources of food, he can understand the basic weaknesses of the North Atlantic set-up which has sparked the situation which is the subject matter of this motion.

I hope that as a result of the passage of this motion, which involves agreement that the survival of the Atlantic salmon as a species is of paramount concern and refers, to taking whatever steps are necessary to ensure such survival, there will be, some real down-to-earth discussion by members of the commission meeting in Washington that will lead to the kind of revision of the North Atlantic Fisheries Convention that is necessary if it is to be an effective operating vehicle for the preservation of the resources of the North Atlantic.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the Minister of Fisheries (Mr. Davis) announced yesterday the radical decision which he made unilaterally regarding commercial salmon fishing in the great Saint John, Miramichi and Restigouche rivers.

In fact, the minister has banned salmon fishing for a six-year period to be determined with the fishermen themselves. This is fine and it provides enough time for a complete cycle in order sufficiently to replenish stocks in rivers so that commercial fishing may be resumed.

Over 900 fishermen will thus lose their employment and their income. The problem is extremely serious.

Mr. Speaker, the International Commission for the Northwest Atlantic Fisheries (ICNAF), of which Canada and Denmark are members, was to watch the situation. But nothing has been done and this commission has been an utter failure; meanwhile, the federal government has failed to intervene to assure the conservation of marine resources under a short- and long-term planning policy. It has done nothing essentially, although it was aware of the situation. The minister himself admitted it yesterday when he said, and I quote:

Historically, the total mainland take accounted for approximately one-half of the over-all catch of Atlantic salmon by Canadians. This volume has been sharply reduced. It has fallen by more than 80 per cent since 1967. On the Miramichi, where escapements formerly were measured in the tens of thousands of large fish, they are now measured in the hundreds.

Why then did the minister not foresee this, since he was aware of the situation, and why did he not act for the conservation of our resources? Why also did he not propose a sensible policy to ensure the development of those resources?

On the other hand, Danish fishermen are operating in our fishing grounds. What is the government doing? Nothing. Has it protested? Not to our knowledge. What does it intend to do? It is taking a unilateral decision and saying to the fishermen: "Commercial fishing will no longer be allowed in our waters, but compensation will be paid to you."

Mr. Speaker, a meeting will be held in Washington in May 1972 about that problem. My colleagues from the Social Credit party of Canada and myself strongly support the resolution introduced today and we encourage the minister to take an extremely firm and clear stand at the meetings of that Commission.

It is time that foreigners learn that the Canadian people believe in natural resources and intend by all possible means to protect them, especially the huge marine resources which are wasted, due to our lack of a conservation or development policy.

Mr. Speaker, Canada must again protect the runs and the minister knows it. Indeed, I would like to hear the minister, as the situation is serious, state the means which he intends to take to assure the future protection of runs.

We must, on the other hand, compensate adequately fishermen whose income is now almost wiped out.

Third, we must in Canada, in view of the length of this period during which fishing will be banned, provide assistance and retraining for these 900 fishermen, namely the breadwinners, so as to enable them to provide for their own needs. To sum it up, this new measure will create 900 more unemployed.

Mr. Speaker, this question is too important to become a matter of partisan politics. I will conclude my remarks by urging strongly the minister to take a firm stand at the meetings to be held in Washington in May, so that foreigners will realize that Canadians intend to take every possible means at their disposal to ensure the respect of international agreements.

Denmark had signed this treaty, but did not respect it. And salmon fishing on the high seas has contributed directly to a loss of employment for 900 individuals in the Maritimes, which is extremely serious.

I would therefore urge the minister to take an extremely firm stand in Washington in order to create awareness of what Canadians want, what they need. I ask him to see that studies are set aside and that a very explicit policy is adopted for the preservation of our resources. First of all, they must be assessed, after which a policy of short and long-term preservation and adequate operation should be adopted so that future generations do not face the same problems we have today.

If the minister and his precedessors and the government had taken the necessary action as soon as it became known that the existence of salmon was at stake, and if at that time they had insisted on observance of the treaty, we probably should not be faced with the present problem.

Mr. Speaker, I trust that the minister will take a firm stand in Washington so that, once and for all, foreigners may become aware that Canada possesses immense resources. There is no reason why in Canada, with such vast resources, some of our citizens should suffer unemployment or poverty just because of our failure to preserve our resources by adequate operation.

• (1520)

[*English*]

Hon. Jack Davis (Minister of the Environment and Minister of Fisheries): Mr. Speaker, I welcome the opportunity today to second the motion put forward by the member for Fundy-Royal (Mr. Fairweather) which, in effect, condemns the harvesting of salmon on the high seas. Canada's position for 20 years, has been that the harvesting of species like salmon, which return home to spawn, should take place in or near the rivers themselves. Unless a policy of that kind is followed there is no incentive to maintain the stock, to keep the species alive, and to keep it alive and in a healthy state.

The Atlantic salmon, in marked contrast to the Pacific salmon, is now in the category of an endangered species. This is true particularly of the large Atlantic salmon which spawns in our mainland rivers, in the Maritimes and in Quebec. At one time the Atlantic salmon ran in great numbers in all of the rivers of Europe. Now, few streams see salmon returning to their numbers diminish every year. Salmon used to run in the rivers of New England, including the Hudson. They used to run up the St. Lawrence, up the Ottawa past Parliament Hill, up into Lake Ontario. They vanished from those areas decades ago.

The remaining rivers to which the large Atlantic salmon return in quantity are those of New Brunswick and Quebec. We have taken an important step in recent days by closing these fisheries. The main purpose is to ensure that the endangered species survives, and that these rivers are brought back into a condition as near as possible to that of their original state. It is possible for this to be done. It has been done with respect to rivers on the west coast of Canada. I might add that on the west coast we have been able to maintain salmon runs at or about the level of the 1920s. Now, they are actually increasing, despite heavy fishing and industrialization. Clearly, it is possible to bring our runs back in the Atlantic region as well.

For the benefit of the hon. members from Newfoundland, most of the salmon that return to the streams of Newfoundland and Labrador are one year fish. They don't go to Greenland. The ones that do go to Greenland are two year fish from the mainland. There, they are fished in large numbers by the Scandinavians, the Danes, the Norwegians and the Faroese. The big mainland salmon are the ones which concern us most. This is why we are concentrating on the Saint John, the Miramichi and the Restigouche. This is why the Province of Quebec will have to take similar measures on some of its big rivers as well.

There has been a dramatic decline in the return of large salmon to those mainland rivers, a drop of more than 80 per cent since 1967. This cannot be allowed to continue.

There are two reasons for this decline. First, there is the greed of Scandinavian countries, principally the Danes, but also latterly the Norwegians and to some extent the Faroese. They must stop fishing on the high seas. And after they stop, we still have the problem of bringing the stocks back. We will have to interrupt our own commercial fishery at the mouths of our rivers. There is no way in which we can allow dozens of boats, each dragging a half a mile of netting behind it, to cruise backward and forward across the mouths of those rivers, and still expect these runs to come back quickly. This is why we have taken the decision, one which was discussed with the ministers of fisheries from the maritimes and Newfoundland, and with fishermen's representatives over recent weeks, to close the fishery for a period of years. We are going to pay compensation. We are going to make funds available in an amount which is greater than the recent annual earnings of commercial fishermen to those who are affected by our ban. We shall be establishing committees of fishermen and river management committees to help us bring back these stocks. We shall employ fishermen who want jobs as river guardians in the policing of the waters. We shall pay others for their gear, or make cash settlements. We will help all fishermen to participate in other fisheries as long as the ban lasts.

The main note I wish to strike is one of optimism with regard to the long term future. We intend to get these salmon runs back, and this is the only way to do it. Had we simply curtailed the length of the season, we should merely have cut the income of fishermen. Their incomes would have been cut back without compensation. Actually, the compensation which we are offering will offset the loss of income of the fishermen during the period in which they are not allowed to fish, and when the runs revive, these men will have the opportunity to go back and fish a new, much larger run of large salmon. This is an approach which the fishermen themselves prefer because they will be much better off in the short term and long term, than they would be if they were allowed to fish the salmon to extinction.

I think the behaviour of Denmark is reprehensible. We have had meetings with the Danes both within the International Commission for the North Atlantic Fisheries and bilaterally. In 1970, in the ICNAF meetings, an agreement

was reached with the Danes that they should hold the 1971 catch at their 1969 level. They were not to put more gear into the water, for example. In 1971 their catch went up by approximately 30 per cent. There are a number of reasons why this was so. My officials tell me that they used more gear and they fished more frequently. The mesh they used was finer, they improved their fishing methods. They changed over to monofilament yarn in the nets and were better informed last year—they knew more about the fishery. These are the reasons their catch went up by 30 per cent. The Danes landed more of these large salmon than all our mainland commercial fishermen combined. Obviously, we have to stop the Danes from fishing on this scale. We have to stop Norway getting into this fishery as it has done in the last few years.

I might tell the hon. member for South Shore (Mr. Crouse) that Sweden is not in this fishery. The Faroese are. Through ICNAF we must convince them, through the pressure of public opinion we must prevent them—

Mr. Lundrigan: In what year?

Mr. Davis: This year, 1972. From now on. The United States has, for some inexplicable reason, decided to enter into an agreement with Denmark for the Danes to phase out by December 31, 1975. Well, four years is three years too many. They have got to stop now.

• (1530)

As hon. members know, our next opportunity to sit across the table from the Danes is in Washington toward the end of next month. At that time 14 nations assemble, all of them nations that fish the North Atlantic. At that time, we will be talking to the Danes. Last time round the vote was 12 to 2 in our favour, but the Danes, supported by West Germany, decided to go against our resolution, the traditional Canadian resolution, to ban salmon fishing on the high seas; in other words, to limit the catching of salmon to those countries that look after their rivers. We were proposing to look after those countries that clean up and police their salmon streams, that build hatcheries and ensure their spawning grounds are kept in good condition. This has been our policy for many years; all hon. members know that. But we have not yet managed to convince the greedier nations of the world to go along with the protection of what is really an endangered species.

To give some idea of the decline of the salmon fishery, the total salmon fishery on the east coast is only about one-twentieth the size of the salmon fishery on the west coast. It has reached that condition because of man's greed, yet there are still greedy people around who want to eliminate the species altogether. At least, that is the likely effect of their actions if they are allowed to continue their current practices.

In any case, Mr. Speaker, we will be meeting the Danes in Washington along with the representatives from another dozen countries. We hope that we will be able to convince them to stop fishing this summer, not next summer or the following summer, but this summer. We have managed through FAO to arrange an international meeting, a meeting of all the world's fishing nations, in Vancouver next February. We will be talking primarily about the management of the world's fishing resources, and we will be talking about salmon again. We will be underlining our case for salmon to be fished only by those countries that look after their own rivers.

In conclusion, Mr. Speaker, I want to emphasize the fact that we have been in touch with the fishermen, and the fishermen agree with our approach. It is the only approach that will save the Atlantic salmon, and I hope that the Danes, the Norwegians and the Faroese get the message spelled out in this unanimous resolution of the House of Commons of Canada.

Mr. Crouse: Mr. Speaker—

Mr. Speaker: Order. The order of the House was that 10 minutes would be allowed each member to speak on behalf of his political group. This time has now expired.

Mr. Crouse: Mr. Speaker, might I ask the minister a question?

Mr. Speaker: That could be done with the unanimous consent of the House, otherwise we would be contravening the order made by the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Crouse: Thank you, Mr. Speaker. I listened with interest to the minister's statement, and I am wondering whether he will put on the record the three countries in ICNAF who have not followed the request of the entire convention to desist from fishing salmon on the North Atlantic.

Mr. Davis: In actual voting, Mr. Speaker, only Denmark and West Germany opposed Canada's resolution last year and the year before. Of the two, only Denmark is fishing for salmon. The West Germans say that there should be freedom to fish on the high seas as a matter of principle, so they voted with the Danes though they do not fish for salmon. The Norwegians voted with us, even though they fish for salmon.

Mr. Speaker: Order. Is it my understanding that the motion proposed by the hon. member for Fundy-Royal was to be seconded by the Minister of Fisheries? Is that the agreement among hon. members?

Some hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed, from Thursday, April 20, consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs, and the amendment (Mr. Lewis) p. 1448.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, when I was discussing this particular motion the other night, I was pointing out to the House that there were two important considerations here. One was that universality—

Mr. Speaker: Order, please. The hon. member for Saskatoon-Biggar has the floor. It is my understanding that we have completed the previous debate and that we are now on a new item of business.

Mr. Gleave: Thank you, Mr. Speaker. One of the concerns of the members of this party is the loss of universality under the provisions of this bill. The second concern we have is the unworkability of the proposals before us. We realize we are in the computer age, and that calculations can be made today that a few years ago would never have been undertaken on a mass scale affecting 20 million Canadians. But even with this change, it is very probable that the bill will be unworkable because of the calculations that will have to be made in connection with the incomes of Canadian families. Incomes vary a great deal from family to family, from one year to the next year, and even within the course of one year.

A matter that gives me great concern is this: We have recently been experiencing the repercussions of the new Unemployment Insurance Act which introduced some new concepts. One was the provision of sickness benefits, while another related to the taking into account of holiday pay and severance pay. When one realizes how badly these provisions fouled up procedures and settlements that were due to people who had paid their insurance, one understands what can result from a bill such as this.

Those individuals who apply for unemployment insurance are people who have paid money into the fund. They are not asking for charity; rather they go to the unemployment insurance office to claim benefits that are due to them. I have at different times received reports from people who have made a claim for benefits but have run into difficulty, either because those administering the system have not adjusted to the changes, or because there is real difficulty in calculating benefits in certain areas. In addition, those who apply for benefits sometimes find themselves treated as mendicants, as people who are asking for a grant or a gift from the state. This should not be, but the proposals in this bill could very well put a number of people in the same position.

[Mr. Speaker.]

• (1540)

There is no question about it, all families will have to establish what their income was in any year in order to collect, and the responsibility will fall on them to do so. The bill reads, in part:

> Where at any time during the first eleven months of a benefit year, other than the fourth month, or during the eighth month period next before that benefit year a parent
>
> (a) ceases to hold an office or employment previously held by him or ceases to carry on a business previously carried on by him, or
>
> (b) for any other reason suffers a loss or reduction of income,
>
> as a result of which event or occurrence it is reasonable to expect that the income of the family for the calendar year in which the event or occurrence took place or for the next following calendar year will be substantially reduced, the parents may, in such manner and within such time as are prescribed, file a statement of the estimated income of the family for the calendar year in which the event or occurrence took place, in which case the income of the family received during that part of the calendar year after the month in which the event or occurrence took place divided by the number of months in that part of that calendar year and multiplied by twelve shall be deemed to be the income of the family for the base calendar year.

If anybody was able to follow the sense of that section after the first sentence, he should stand up and take a bow. The clause provides that parents may, in such case, file a statement, but what happens if they do not? When they ask for their payments will some clerk or other person in the department say, "you did not file a statement"? Is this compulsory or is it not? Will the individual have to establish what his income may have been or is going to be? He is supposed to file a statement outlining what the reasonable expectations are for the family income for the calendar year. There are many people who have no basis upon which to make a forecast of their income. This is just not possible for many people who are self-employed or farming, about which I know something. You cannot reasonably expect them to forecast their incomes within close enough limits to serve the purposes of this bill, yet this is what they will be asked to do. Somebody must have drafted this bill. Did that person or the minister not realize it would not be possible for these people to forecast their incomes within reasonable limits?

I had been in this House for only a year and a half when the minister responsible for the post office adopted a policy of closing a number of rural post offices and a five-day work-week. I spent the better part of two years, off and on, fighting to keep open certain rural post offices in my constituency, which in my opinion, and the opinion of those people who lived there, were essential to the needs of the people. My batting average was about 25 per cent. For every one I persuaded the postmaster and those concerned at that time to keep open, probably two or three were closed. Now, the minister says this was a very bad mistake. The department should not have closed so many rural post offices, and should not have gone to a five-day week. He says some action will have to be taken to correct this mistake. Let me suggest to the government that the injustices it visited upon those people will not be corrected by this government. The injustices done to those people who received as little as $2,500 or $3,000 annually for running a post office in a community, and who were let out will not be corrected.

It is about time the government became aware of human factors, that it is not dealing with statistics but with flesh and blood people, who think, run, walk, sit and eat. They are not puppets that which, when the strings are pulled, bob up and down. It does not matter how many times you jerk the string of a puppet, it will bob up and down. However, if you are dealing with people and you jerk them around, it hurts. You might hurt them to the extent that the injury cannot easily be remedied. This might be the effect of the legislation now before the House.

Let me read you another part of this bill:

Where payment of a benefit is approved in respect of a benefit year, the benefit is payable for each month in that year commencing with the month following the month in which the application therefor is received, but if a benefit would have been payable before that month if an application therefor had been made, then the benefit is payable for each month commencing with the latter of

(a) the 11th month preceding the month in which the application was received; and

(b) the month in which a benefit would first have been payable if an application therefor had been made.

If hon. members were able to follow the sense of this bill, they must be pretty good. I have seen similar provisions in other bills proposed in respect of agricultural matters. As a result, we get programs like Lift. After these programs are in operation for a little while, we see a repetition of the post office scheme. A farmer or businessman operating a farm will say that the program is not working and ask that something be done about it. The government then begins to work its way through a tangle of bureaucracy to straighten out the program.

Let me say in all honesty to the minister that this is an unworkable proposition. I would be much better for Canadians if we continued to use the method we are now using. We should have universal payments which are tied to the cost of living in order that family allowances can keep pace with whatever degree of inflation occurs. If it is thought that this is a good method of supplementing income, two principles should be observed. Universality and the rate of inflation should be taken into account in respect of family allowances and old age pensions. The government should, when setting the tax rate, keep these principles in mind in order to take back the surplus at the upper end as well as look after the needs at the lower end.

• (1550)

I do not understand why there is such great concern to limit payments of this kind. The people who get them spend the money in any event. It goes into the stream. They are taxed on the money they receive. These payments are not like the dividends and earnings of corporations which go to Washington, London or Paris. This money stays in Canada and keeps working around through the stores, the service stations and the garment manufacturers. It goes the whole circle, and the tax collector, the wholesaler, retailer and the service station operator grab off their 5 per cent, 7 per cent or 10 per cent. This keeps the economy running. I think that instead of this miserly, penny-pinching attitude which has become so prevalent with this government in respect of our low income people, our senior citizens and so on, the government should adopt an attitude which would put some purchasing power in the community. Perhaps then the government would not be plagued as it is now by the unemployment problem.

If the government would get the economy rolling so the people would have some purchasing power, we would not have the extremely high rate of unemployment we have now. One of the real problems is that we are getting fewer and fewer people with purchasing power and more and more people at the barest subsistence level which makes it necessary to pinch every penny. If someone could persuade the financial thinkers on the other side to turn their thoughts around a little bit and change their approach, then I believe perhaps we would do better. But, in closing, I suggest the only thing I can do is plead with the minister to withdraw this bill before he does irreparable harm to the total Canadian community.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I welcome the opportunity to speak again on Bill C-170 by virtue of the NDP amendment. It has now been 17 months since the government revealed its intention to improve the family allowance system in Canada. For each month that passes $14.2 million is withheld from the poverty-stricken people of Canada. The delay has already been too long; to delay any longer would be intolerable. Poverty in Canada affects about a quarter of our population, and increased family allowance cheques will be of great value to them. Adjustment to the payment levels of family allowances has not been made since 1957 and is therefore long overdue. For these reasons, the Progressive Conservative members in the House of Commons will support the Liberal government's FISP bill at second reading.

This is not to say that we are satisfied with the bill as it stands. We are not. There are gross inequities, ambiguous clauses and costly provisions contained in Bill C-170 and our party is determined to make every effort to have Bill C-170 greatly improved during the committee stage.

In the first place, we dislike the fact that it is no longer stipulated in the legislation that family allowances are to be paid to the mother for the care and education of her children. The principle of Bill C-170 is not the principle of the Family Allowances Act, it is not the principle of the Youth Allowances Act and it is not the principle of the predecessor Bill C-264 of last session which was introduced in the House in September, 1971. Between that date and 15 March, 1972, when Bill C-170 was introduced, an entirely different principle, a totally different philosophy, a distinct legal concept, has been silently substituted.

The Family Allowances Act, the Youth Allowances Act and Bill C-264, all have one principle in common. That principle is that the benefits are established, paid and administered on the basis of a right that is vested in our children. The people of Canada, acting through their government, are the donors; the parents are the trustees, and the children have been and are the beneficiaries. Through Bill C-170, the government proposes to take away that right. Nowhere in his explanation of the bill on second reading did the Minister of National Health and Welfare (Mr. Munro) confess to the purpose of Bill C-170. Indeed, he implied that the rights of Canadian children, as established by parliament, will be maintained and even

enhanced. As can be seen from a reading of page 1133, first column, of *Hansard* for March 24, 1972 he said:

> FISP benefits will provide a basic income for each child upon which can be built additional supports as deemed appropriate by provincial or municipal authorities. We know that unemployment insurance does not make any special provision for children. Neither do old age security, the guaranteed income supplement, the Canada Pension Plan retirement pension or war veterans allowances.

He might have added that neither does FISP. Section 5 of the Family Allowances Act, as enacted by this parliament, provides that the allowance shall be applied by the person receiving it exclusively toward the maintenance, care, training, education and advancement of the child.

Section 5(1) of the Youth Allowances Act, as enacted by parliament provides:

> An allowance payable to a parent in respect of a dependent youth shall be applied exclusively for the care, maintenance, education or advancement of such youth.

Clause 5(2) of Bill C-264, the Family Income Security Plan of last session provided:

> That a benefit shall be applied:
>
> a) in the case of a child referred to in paragraph 3(1)(a) exclusively toward the maintenance, care, training, education or advancement of the child in respect of whom it was paid, and
>
> b) in the case of a person referred to in paragraph 3(1)b) exclusively toward the maintenance, care, training, education or advancement of the person in respect of whom it was paid in such manner as prescribed by the regulations.

Those trust provisions for the benefit of the children of Canada do not appear in Bill C-170. Instead, that bill takes away the vested right of the children, a right which the minister said was the only right they possessed. And what does Bill C-170 propose to substitute? It proposes outright grants to adults. The children become part of a formula upon which the right of the adult is based and calculated. I hope the minister might be able to clarify this.

Clause 5 provides that the recipient of the allowance shall be the parent or other authorized person. The definitions of "family" and "parent" mention the child as being in the custody and control of such person. Clause 3(1), page 3 and Clause 4(3)(a) and (b) on page 4 mention that such person must be wholly or substantially maintained by such person. No mention is made of the fact that the child must be cared for, trained, educated or advanced. The child is merely a hook upon which to hang a grant.

Another weakness in the bill, Mr. Speaker, is the cut-off levels. There is certainly an obvious inconsistency among government departments in their assessment of when families need government support. The Minister of National Health and Welfare takes into account the fact that it costs more to raise a child once he reaches the age of 12 years, whereas the Minister of Finance in his new Income Tax Act, did not recognize that children are more expensive until they reach age 16. Similarly, the Minister of National Health and Welfare believes that any family with one child and a gross income of $4,500. or less should get maximum assistance from his department, yet the recycled Minister of Finance continues to impose a substantial tax on the same person.

In fact, there is a wide range of problems associated with Bill C-170's treatment of cut-off levels. Family income security penalizes working wives, particularly in the lower and middle income classes, through its cut-off levels being based on gross family income. If a wife goes out to work to supplement her husband's meagre salary, it is quite likely that her added income will push total family income above the cut-off level, and she will therefore forfeit part or all of her family allowance cheques as a result. For a family struggling to make ends meet, the loss of a baby bonus cheque hurts. Consequently, FISP has a built-in provision which discourages working mothers because they know they will probably lose part or all of their family allowance cheque as a result.

• (1600)

The importance of this to middle income earners cannot be underestimated. A March 23, 1972 publication by Statistics Canada on the indebtedness of Canadians showed that in the income group from $7,000 to $10,000 per year, only 37 per cent had no debt, and the average debt of debtors was a whopping $1,668. Cut-off levels should be based on net income after deductions rather than on gross income. In this way, personal income tax exemptions and child care deductions will have their full effect for working wives. Benefit cut-off levels can then still be scaled to ensure that poverty stricken families benefit most from family allowances.

Because of the provision that family allowance payments made under the authority of this piece of legislation are based on gross rather than net income with no automatic cost of living escalator, more and more lower and middle class Canadians will find themselves progressively cut off from family allowance payments over the years as their incomes rise, even though inflation may increase proportionately. Although Bill C-170, unlike its predecessor Bill C-264, has a clause providing for an increase in benefit levels and payments because of cost of living increases, the procedure involved is not automatic but is left to the whim of the Minister of National Health and Welfare, who is responsible for proposing the increase to the cabinet. Then, at the whim of the cabinet, the proposal may or may not be accepted. It is subject also to delays in the House of Commons, where a resolution is necessary to approve the order of the Governor in Council. The lack of an automatic cost of living escalator clause in FISP means that neither benefit levels nor benefit payments are scaled to take into account the erosion effect that inflation will have in the future.

Since 1961, personal income per capita has almost doubled, rising from $1,613 to $3,092. This does not mean that many fewer people are living in poverty as inflation has considerably eroded the relative buying power of the dollar in the interim. While personal incomes are rising, though, cut-off lines for both maximum and partial FISP benefit payments are stationary. Consequently, if personal incomes double again over the next ten years, for example, more and more people would find themselves disqualified to FISP payments because their incomes had risen above the stationary cut-off lines. Yet, many of these disqualified people may still be defined by Statistics Canada as living near the poverty line.

There should, therefore, be an automatic cost of living escalator clause, not just a discretionary cost of living escalator clause as there is in Bill C-170. Use or non-use of this clause can be subject to political abuse. This escalator

provision in Bill C-170 is out of step with other federal legislation, such as the Canada Pension Plan and the Old Age Security Act which guarantee some, even if too little, increases each year in line with cost of living increases. Therefore, it is wise to insist now before the FISP bill is first enacted, that benefit levels be automatically subject each year to a cost of living increase commensurate with the rise in the consumer price index.

With regard to the gross income levels provision in Bill C-170, I ask the minister to clarify the criteria for establishing the gross or net income for the farmer, the fisherman, the sawmill operator or the independent trucker. If their family allowance payments are based on their gross income, then the government is being grossly unfair since these people have necessary capital expenditures to maintain the equipment essential for their livelihood.

In addition to all these problems connected with the gross income provisions in Bill C-170, there is another glaring weakness which has been noted more than once by many speakers. I refer to the administrative load that will occur as a result of some sections of the bill. Changes in income of families who work seasonally are going to cause utter confusion, since they are required to submit periodically increases or decreases in their earnings. Let us take for example the family with one child earning $4,500 a year and receiving the maximum benefit. The wife might go to work and earn enough in a few months to put the family beyond that income ceiling. According to the experts, even if the combined family income reaches beyond that level, the family will continue to draw the maximum benefit for that year. However, if their income is above that ceiling again the next year, even though they continue to draw the maximum benefits, they will have to repay 33 cents for every $100 they earned over the basic income ceiling in the previous year.

It has been estimated by the Department of National Health and Welfare that administrative costs during the first year of FISP's operation will rise to about $13.5 million, and when FISP is fully operational, it is likely that administrative costs will escalate very rapidly. The Liberal government anticipates that when FISP has been fully implemented, the staff involved in processing FISP will number 1,477, more than twice the current staff of 730. Undoubtedly, this will push annual administrative costs much higher in the future.

There are many who argue, quite justifiably, that the combined administrative costs of many income security programs represent a sizeable total sum, and that this sum would be more effective given directly into the hands of the poor. According to this argument, the consolidation and rationalization of our welfare structures could significantly reduce the costs currently involved in administering a profusion of welfare programs. The money recouped from such a streamlining of the welfare structure could then provide additional money for actual welfare work. An income security scheme administered entirely through the income tax structure would accomplish this end by decreasing the number of administrative bureaucracies for welfare now scattered through several federal departments. The question is: can we therefore justify the increased administrative costs of Bill C-170 over the present plan, when such costs may be unnecessary?

A further problem connected with the present bill concerns the provision that children in institutions across the country will receive only half of the maximum FISP benefit payments. This is contrary both to the old family allowance plan, Bill C-264, and the Quebec provincial family allowance scheme announced in 1971. Just today, the hon. member for Moncton (Mr. Thomas) passed me a telegram which came from the Hon. Mrs. Brenda Robertson, minister of welfare for New Brunswick. This telegram is worth reading in full. It reads:

> In reviewing Bill C-170 as proposed by the government of Canada it has been noted that subsection 2 of section 6 makes provision to restrict by 50 per cent the amount of FISP benefits payable to children whose maintenance costs are shared under the Canada Assistance Plan. My government expresses strong opposition to this provision and urgently requests that it be reconsidered. If FISP were to be paid solely on the basis of family size with the payments of benefits commencing with the third or fourth child, then it might be logical to state that children who are the responsibility of government departments are not affected. However, this is not the basis of FISP benefits. The concept that FISP is income related and therefore provincial governments require less financial assistance to maintain children in care is hardly valid in relation to the Atlantic provinces. The current provision in Bill C-170 will mean that children who are in care will receive virtually no increase in the amount of money available for their maintenance while children in their own homes will be significantly better off. I believe this is very unfair. My government urges you to reconsider the implications of subsection 2 of section 6 of Bill C-170. As it stands it is discriminatory to a large number of children.

Another fault with Bill C-170 as it is presently constituted—and I will end my recital of the bill's errors here, although I could continue indefinitely—concerns the Trudeau government's failure to include a date on which the new scheme would become effective and benefits be paid. The government's family income security bill of last session, C-264, was to come into effect this May 1, a date a few days away. That provision has been removed. The government has adopted instead a drafting gimmick to delude the public. Clause 2(1) defines benefit year as "any period after August 1972, consisting of twelve consecutive months commencing with the first day of September". How many families awaiting these increased benefits promised under the bill have assumed they will get them as of September 1, 1972? In fact, that provision means only that no benefits can be paid before that date. Again, Bill C-170 will become effective on Royal Assent. This is only another gimmick to give the appearance of action by the government to pay out benefits as quickly as possible, presumably in September of this year.

Although this bill will become law on Royal Assent, that assent will be subject to section 3(4) which provides that no benefit is payable under the act for any month in a benefit year for which an allowance is payable under the Family Allowances Act. Section 24 will provide that the Family Allowances Act will only be repealed at the discretion of the government. When will that discretion be exercised? The Minister of National Welfare has remained mum on this aspect. Is he afraid that this measure will join the Hazardous Products Act and other acts, of which only parts were put into effect?

• (1610)

I have elaborated at length on the faults of Bill C-170, Mr. Speaker, for a very important reason. That reason is that the Progressive Conservatives consider the bill to be loose and sloppy in its conception and in its drafting. Although we have agreed to support the bill on second reading, for reasons on which I have already elaborated, we make no commitment to support any further stage of the bill unless substantial changes correcting these faults are agreed to by the government. We reserve the right on third reading to take action as we see fit, depending on how the bill comes out of committee.

One of the ways in which the inadequacies and faults of the family allowance plan of Bill C-170 could be rectified is through the formula offered in the amendment proposed by the hon. member for York South (Mr. Lewis). Our party is supporting the principle of the NDP amendment because it is an umbrella under which substantial improvements can be made such as increased payments, a better break for middle income earners, less administrative costs, etc. However, we believe that the drafting of the amendment is quite as loose as the drafting of the bill. We can assure the House that our amendments on the family allowance plan, to be submitted in committee, will improve the bill and not be merely vague, meaningless phrases.

The reasoned amendment put forward by the leader of the NDP is so general and broad in scope as to encompass any scheme of increased family allowances, provided only that the principle of universality of payment is retained. I say "universality of payment" because the "universality of benefit" is in doubt. It is quite possible to grant "substantial" payments under the scheme and yet tax every cent of those benefits away by making related changes, as the amendment calls for, in the Income Tax Act. On the other hand, it is equally possible, within the terms of the amendment, to establish a plan of family benefits that is far preferable to the government plan proposed in Bill C-170. It is for that reason we propose to vote for this amendment. In spite of our agreement to support this amendment, however, we do not support many of the ill-advised statements that the hon. member for York South made in introducing the amendment to the House.

The first thing that I have to take issue with, and that I find difficult to understand, is why he should deliberately alarm the low income and "no income" earners of the country. He intimated that his reading of the act is the only way in which it can be read, when he stated very emphatically that all citizens of this country who are receiving social assistance will only receive half the benefits provided under this bill.

He used these exact words, Mr. Speaker, and I quote from page 1445 of *Hansard*:

> What the bill says is that not only children in institutions will get half the benefit but that children of all families on social welfare will get only half the benefit.

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

Some hon. Members: Carry on.

[Mr. Marshall.]

The Acting Speaker (Mr. Laniel): Order, please. Hon. members seem to be disposed to allow the hon. member to continue his remarks but this can only be done by consent.

Mr. Knowles (Winnipeg North Centre): A point of order, Mr. Speaker. Does the hon. member not have 40 minutes? This is an amendment to a second reading motion.

The Acting Speaker (Mr. Laniel): Order, please. The Chair understood that the hon. member had taken his 40 minutes, unless I was given the wrong advice. The hon. member commenced his speech at 25 minutes to four o'clock. I guess the simplest thing would be for the hon. member to obtain unanimous consent. This might clarify the situation.

Some hon. Members: Agreed.

Mr. Marshall: Thank you, Mr. Speaker, and the hon. member for Winnipeg North Centre (Mr. Knowles). Many of the clauses referred to by the hon. member for York South are ambiguous, I agree, and even ridiculous. This fact was pointed out very clearly by George Bain of the *Globe and Mail* in one of his columns. But it is irresponsible for the member for York South, merely for the sake of political advantage, to read these clauses as he wants to read them and, again I say, to deliberately alarm the people of Canada who have been waiting for years to derive some benefits promised to them. Why not take his grievance out on the supposed legal advisers who concocted the bill, those supposed experts who sit and try to make things as complicated as possible, but do not know the meaning of the words, "human being" or "poverty"?

The Minister of National Health and Welfare tried to rise in his place last Wednesday and put the record straight. Instead of allowing him to do so, the rules of this institution prevented him, so that the words of confusion could go out to the poverty stricken of this country who wonder now just how much benefit they will get under this bill. The minister, who was listening, made mention that this provision applied only to the children in institutions. This interpretation is confirmed by members of the Department of National Health and Welfare, who indicate that only children who are in the complete care of the parent would lose half the benefit under the present provisions of the bill—I should say who are not in the complete care of the parent.

In another part of his speech, the Leader of the New Democratic Party wondered aloud whether members of the House, and especially those from Newfoundland and Quebec, had even read the bill. Well, Mr. Speaker, I am one of those members, and I can assure him that I have read the bill. And I can tell him that I have read the white paper on income security that was issued back in 1970 containing the government's ideas on family income security and the promises to the poverty stricken in Canada. I read Bill C-264, too, when the government introduced that bill which promised low income families that they would receive increases by May 1, 1972. I read the Throne Speeches since 1968, when I first came here, promising equality of opportunity, and indicating what the government owed to the poverty stricken of this country. I have read and watched and listened, with frustration and

confusion to the deliberate political strategy that this government has been using since 1970, using the poverty stricken families of our nation for political advantage and building up their hopes falsely with utter and contemptible disregard for human beings. I do not need anybody to tell me what I have read or missed.

I read thousands of letters from my constituents who sent me here to represent them, letters telling me they do not have enough money to feed their children and have to send them to bed cold and hungry, letters from mothers asking me to help them because they have to go to court for failure to pay their school fees and have to deny their children the right to an education. I read more hundreds of letters from mothers telling me that they cannot send their children to school because they cannot afford to buy them clothing. I read more hundreds and thousands of letters from mothers and fathers asking me for help from the government to buy them enough materials to fix holes in the roofs of their homes, or for bedding or for a stove to heat their homes, because they cannot afford to give these necessities to their children.

Here is one letter from a doctor who says that a certain constituent of mine is mentally defective, is an epileptic and is also suffering with nerves, anxiety and tension while living in a house which is unfit for human habitation. That was on August 10, 1971 and now, almost a year later, the husband writes to me and asks how he is to get a better home for his wife and children when he cannot get anybody to answer his letters.

I read these letters coming into my office at the rate of a couple of hundred a week. I answer each and every one of them myself because I am concerned. I tell them to have a little hope because I want to have a little faith that perhaps the government still has some humane consideration for our children. But after four years I, like these many thousands of mothers of children, am becoming more and more frustrated at the lack of sincerity which exists here. Yes, Mr. Speaker, the words come out from the Trudeau government and everybody else. They flow like water—the millions of words, and the hundreds of bogus promises—but that is where it ends.

I read everything, Mr. Speaker, everything that I can in the time allotted to me. I hope when the minister has the opportunity to speak he will clarify the serious inequities in the bill so that with sincerity we can consult and put the bill in proper order at the committee stage for the greatest benefit of all Canadians.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, members of the New Democratic Party are going to vote against passage of this bill at second reading stage, are going to oppose this bill in committee and I presume, unless the government changes its basic philosophy, will vote against this bill on third reading. The reasons are simple. We shall vote against this bill because not only is it wrong in principle but it reverses and wipes out a basic concept established in this country, not by a radical socialist government but by a Liberal government led by Mackenzie King.

• (1620)

The Family Allowances Act, when first introduced, provided for the payment of family allowances to all families with children entitled to receive benefits, regardless of income. Speaking in connection with suggestions that the old age pension should only be paid to those in need, another former Liberal prime minister, Right Hon. Louis St. Laurent, made it clear that he believed in universal old age pensions and that he believed those few old age pensioners with incomes so high they did not really need the old age pension would be relieved of their surplus income by the income tax. We may be old fashioned; however, I suggest to the Liberal Minister of National Health and Welfare (Mr. Munro) that we are not so radical when we continue to stand for the principle of universality, a principle which was not first proposed by a Liberal government but which was first implemented by a Liberal government in connection with the Family Allowances Act and the old age pension.

Under the provisions of this bill, payments will be made on a selective basis. The universal principle contained in the Family Allowances Act and the old age pension legislation will be, as I have already mentioned, wiped out. This, I suggest, is not only a regressive step; it is an unjustifiable step. The payment of benefits will be based on a sliding and complex formula which will make the major difficulties recently experienced by people unfortunate enough to be unemployed seem trivial. I am talking of the difficulties of those people who have had to file claims for unemployment insurance benefits. Their claims have been pushed from pillar to post. They have had to wait six, eight, ten and even 15 weeks for their claims to be processed, the reasons for delay being that the computer broke down, that the people in the Unemployment Insurance Commission did not understand the provisions of the act, and so on. Many reasons, it is alleged, were behind these difficulties. I am certain that the situation in Winnipeg not only can be duplicated, but has been and is being duplicated every day of the week in the home city of the Minister of National Health and Welfare. I say that the difficulties experienced by those who could not obtain their unemployment insurance benefits will seem simple and trivial compared with the difficulties which will occur after this bill becomes law.

It has been estimated that the effects of this bill will divide people and neighbours, group by group. Let me attempt to give some concrete illustrations to show how this bill will operate and have that effect. First, 25 per cent of Canadian families will be better off. We have never questioned that. Those who will be better off certainly need the extra assistance they will get under this bill. However, over 40 per cent of all families will receive only partial benefits, and half of this group will get less money than they are getting now. One third of all families will be cut off from all benefits.

I said, when I began, that we oppose this movement away from the principle of universality. We think that principle is a sound one. That principle found favour with the overwhelming proportion of the Canadian people and there is no reason, aside from political reasons which I will speak about later, for the government to wipe out in this legislation the basic principle of universality. As I

said before, let us consider some concrete illustrations. Let us see how this bill will work.

The family with an income of $5,001 per year and one child will not receive any baby bonus at all. Does the Minister of National Health and Welfare really believe that a family of three with an income of just over $5,000 has an income so large that it does not need the family allowance? The family with two children under ten years with an income of $9,001 will be cut off. There are many people in Hamilton, many workers in the steel works and other plants, who now earn $9,000 a year. That is the family income, particularly if the wife is working part time. Considering today's cost of living, the cost of food, which is rising every month, the cost of fuel for heating homes, which is rising regularly, and taxes, which are constantly going up, does the minister really believe that a family of four in this country with an income of $9,000 is doing so well that it does not need even the level of assistance being given to it by the family allowances plan at present?

Let us consider the family with five children under 12 years of age with a total income of $11,001 per year. There you have a family of seven, Mr. Speaker, and it will not receive any family allowance under the new act. An income of $11,000 may sound like a pretty fair income. Does the minister think that a family of seven living in Toronto, Montreal, Winnipeg, Vancouver or Hamilton does not need the assistance it is getting under the Family Allowances Act at present? If he thinks that he has moved a long way from the people he represents since coming to Ottawa in 1962.

My party has always supported the principle of universality in programs of social security. I ask, why has the government party, which introduced in legislative form universal programs, abandoned the principle of universality which it first introduced? The reason is not that it does not believe in universality. The reason is that the government intends to phase out the program of family allowances altogether, because it does not think that program is a successful tool for fighting poverty. The family allowances program, Mr. Speaker, was never introduced for the purpose of fighting poverty. The payments were never considered, by the government which introduced them, by the opposition parties or by the general public, as welfare payments. And they were not welfare payments. If the government wants to help the poor people of this country, goodness knows, there is much that it can do and that needs to be done.

I put some figures on record yesterday which show that the bottom 40 per cent of income earners in this country get just under 16 per cent of the total incomes earned in this country. There is no question about the bottom one third of the population needing assistance. If the government wants to mount a war on poverty, there are much more effective ways of doing it than taking away the family allowance from people in the lower income group. That is what this bill does.

• (1630)

Why does the government not stop the massive give-aways which in the past few years have amounted to hundreds of millions of dollars as the result of programs of the Department of Regional Economic Expansion which supposedly foster the establishment of industries in slow growth areas. Grants have been made of hundreds of millions of dollars. To whom have they been made? They have been made to the most affluent, largest corporations in this country, most of them multi-national corporations in the United States. If the government really wants to fight poverty, why does it not wipe out these give-aways and give the money to those who need it?

If the government wants to fight poverty, it should do something about plugging the loopholes in our tax system. I am not going to repeat the arguments put so well by the hon. member for Duvernay (Mr. Kierans), but the facts are as he put them in his famous speech to the Canadian Economic Association. Some of the largest corporations in this country, oil companies such as Imperial Oil and Shell Oil and mining companies such as international Nickel and Noranda, to mention just a few, are legally evading paying the major share of the taxes which they ought to be paying. I do not even want to compare the taxes they pay with what individuals pay, but if they paid their fair share of taxes as other corporations do, they would pay approximately a 50 per cent corporation tax. In fact, they are paying taxes on probably 10 per cent or less of their earnings. Why? Because this government has continued the policy under which this country has suffered for many years by giving special tax concessions to oil and mining companies as well as others.

If the government wants to do something to combat poverty and help the people who are in real need, it should not take away the family allowance from the middle income bracket. It should take money from those who have it. This government will not do that because it is dependent on the 95 largest corporations in this country for the major share of the campaign expenses of the Liberal party at the time of elections. That is why this government will not take that very sensible and equitable step.

This proposal of the government will take away benefits which the moderate income group has had since 1944 and give increased benefits to those who are really poor. We have stated many times that we will support every proposal to increase the economic wellbeing of people in the lower income bracket. However, that should not be done at the expense of those working people in the middle-class group.

The government's proposals will divide the people in this country. Some will not receive anything under the new FISP program. Some will receive less that at present and others will receive more. Neighbors with relatively similar incomes and circumstances will be treated in different ways. I cannot think of a better way to divide the citizens of this country than the plan devised by the minister—I was going to say the minister and his department.

Mr. Munro: What are you doing right now?

Mr. Orlikow: I have too much respect for the ability and social vision of the officials of the minister's department to believe they had anything to do with the formulation of this bill. I think this bill was drafted by the politicians to meet their political ends. If the minister had the courage to table and publish the white paper prepared by his

deputy minister, the charge I have just made would be proven conclusively.

Implementation of this bill will create an administrative jungle. The minister estimated that the number of employees required to process FISP cheques will more than double. I am certain that is a gross under-estimate of what will actually happen. Costs of other departments will be as great if not greater than the direct cost the minister outlined when he introduced this bill. The Tax Appeal Board, the Department of National Revenue, the Department of Supply and Services and the Department of Indian Affairs and Northern Development will need extra staff. The Department of Manpower and Immigration will be affected. Statistics Canada will also be involved in this. All this will cost money and will create bottlenecks which will mean that people will have to wait for their cheques.

What about the potential recipients of the benefits under this plan? They will have to provide the department with the necessary information, and that is not going to be easy. Every time there is an increase in income, a layoff or a change in the age of a child, the potential benefit will be changed. All this will have to be understood and calculated by the people involved. After the information is gathered, the paperwork must still be done.

Let us look at how this bill operates. As an example, I will refer to a steelworker in Hamilton whom the Minister of National Health and Welfare represents. It is not unusual that in negotiations at the end of a contract a steelworker, a member of a building trade union or of any other organized group in Hamilton, will receive a 25 cent an hour increase in their wage rate. According to my calculations, and I think my arithmetic is correct, an increase of 25 cents an hour in terms of a 40 hour work week in a 52 week year means an increased annual income of just over $500. So, Mr. Speaker, if a worker obtains an increase of just over $500 a year, his income category is changed and he has to recalculate the amount to which he is entitled under the new plan. He has to fill in a new form; it has to be processed and checked. If the wife of a steelworker works full time and earns more than $500, that too, changes the category. If a steelworker is laid off for three or four weeks he will lose more than $500 in pay. He will then be entitled to more money under the plan. Every time there is a change in family income, new calculations will be required and new forms will have to be completed. How can the ordinary citizen be expected to handle all this? Even on the unlikely assumption that citizens follow all these instructions correctly, the work of administering these constantly changing records will create a chaotic jungle.

• (1640)

I am sure no member of parliament who represents ordinary working people can stay long in his office without receiving calls or letters from constituents who are encountering difficulties in connection with the Unemployment Insurance Act since the recent changes came into effect. I am not complaining about these calls; I regard attending to them as part of the job of a member of parliament. But the number of calls members of parliament are expected to deal with in connection with unemployment insurance will amount to a minute trickle compared with the enquiries which every member will receive should this new plan become operative.

There is no need, Mr. Speaker, for this administrative jungle to develop, except perhaps, a political need. And what is the political need? It is not difficult to explain. The government understands quite well that people in the lower income brackets are no longer able to manage on the incomes they are receiving, because of the increased cost of living and other factors. It realizes that substantial improvements are needed in the incomes of these people. However, as I indicated earlier, the government is not prepared to get the money necessary to increase the incomes of those in the lower income bracket from those who have it, from those in the higher income brackets and from the corporations which are not paying their fair share of taxes. So, the government is proposing to take money which has been given to people who are, really, poor people in that lower and middle income brackets, and redistribute it to people who are desperately poor. We reject an approach of that kind.

I want to be fair to the government. I do not intend to do what a number of my hon. friends have done by outlining in detail once again what our party thinks should be done. I know the minister would say, with some justification, that I was being partisan. I am partisan, but I try to be fair. I suggest to the minister that he look again, if he has not done so already, at the policy statement issued by the Canadian Council on Social Development in April, 1971. This Council is not a wide-eyed radical organization. It is not an organization whose purpose is to destroy this country and rebuild it on an entirely new set of principles. It is a council of organizations which deals with, and occasionally represents, people who need assistance. Its policy statement amounts to a fundamental rejection of the proposals which the minister is making in this bill.

Let me take just a few minutes in which to put on record what the Canadian Council on Social Development says.

> The Council fully endorses the family allowance goals of help to all families with dependent children, and a greater measure of equality of opportunity for all children, i.e., special emphasis on the needs of low income families. However, it believes that it is needlessly costly and cumbersome to attempt to include these aims and a meaningful attack on poverty for all people in one income maintenance measure, as appears to be the ultimate goal for FISP.
>
> In relation to the attack on poverty, a comprehensive and integrated income security program is required which takes account of the costs of child-rearing.
>
> The Council believes that the feasible and desirable approach to a reformed family allowances program is a general family allowance plan that takes care of a substantial proportion of child-rearing costs. The net benefits should be related more closely than now to other income resources, and the balance of the child-rearing costs should be completely covered for low-income people through a separate but integrated guaranteed income program as part of a comprehensive approach to income security.

Let me point out that the Council rejects the government's proposal to cease paying family allowances to all families with dependent children, and that it calls on the government to inaugurate a guaranteed income program. Dealing with the basic elements of any family allowances program, the Council enunciates the following guiding principles. I will quote again:

> The Council believes that:

(a) Family allowances should be universal, paid to all families with dependent children as a social right thus avoiding divisiveness among families and any element of stigma. The present program has this feature but FISP would eliminate it.

When I was talking earlier about the divisiveness of this program, the minister suggested, in an interjection which was probably not recorded in *Hansard*, that my speech would promote division. I would point out that the Canadian Council on Social Development agrees with what I said, and I agree with them that the minister's program will divide the people of Canada. The Council goes on to say:

There should be equity in relation to family responsibilities and to the financial and other resources of families. Three criteria cited by the federal white paper, Income Security for Canadians, are size of family, age of children, and family income. Of these, the present program only takes age into account and FISP only considers income.

There should be the maximum feasible simplicity and efficiency in administration. These features are virtues of the present family allowances program but FISP would undoubtedly be considerably more complicated and costly to administer.

• (1650)

The program should be as fully compatible as possible with long-term social and fiscal policies. This is not evident in the FISP proposals.

The program should have a built-in escalation clause to meet the full amount of annual rises in the cost of living. This feature is not included in either the present program or FISP.

There should be integration of all programs of allowances for dependent children, i.e., youth allowances should be integrated with family allowances as proposed in FISP.

There is the analysis of the minister's proposals made by what I think is a most representative and knowledgeable organization, one with a membership encompassing the vast majority, if not all, of those organizations in Canada, both government and voluntary, that have as their task helping people in need. It is obvious from the short summary that I have put on the record that the Canadian Council on Social Development has the gravest reservations regarding these proposals. When I say that, I am being very cautious and conservative in my estimate of what they say. I really believe they are rejecting out of hand the basic principles on which the minister has based his FISP proposals.

I urge the minister to take the time to consider these basic objections to his proposals by the Canadian Council on Social Development. These are objections made by an organization which cannot, by the wildest stretch of the imagination, be termed a partisan organization, one with any political axe to grind. It has no objective other than to help the people of this country who are in need. The minister may believe that the Canadian Council on Social Development is wrong in its analysis. If so, he ought to take the time at an early date to explain in what way the objections raised to his plan by this very important organization are unacceptable to him.

The minister may believe that the implementation of a program such as that proposed by the Canadian Council on Social Development is financially impracticable. This is the usual reason given for rejecting proposals made by members of the New Democratic Party. In this respect, I would point out that the members of the board of the Canadian Council on Social Development are, in the main, pretty responsible businessmen and civil servants at the federal, provincial or municipal level. There are also one or two representatives from the labour movement, and there may be one or two representatives from what is now commonly known as poor people's organizations. But the overwhelming majority of the members of the board and committees of this organization are responsible, knowledgeable, well informed citizens. If the government is rejecting their proposals and criticisms of its plan because it believes that the country could not afford to adopt them at this time, then the minister ought to say so.

[Mr. Orlikow.]

I suggest that the criticisms and suggestions made by this organization ought not to be dismissed as summarily as they have been dismissed by the minister and the government. As I said earlier, in face of what I consider to be the virtually unanimous rejection of the proposals in this bill by those organizations best able to assess the needs of the people that we hope to help through this type of legislation, I can see no reason why the members of this party, indeed why any member of this parliament, should vote for the bill on second reading, at committee stage, or on third reading. Like the other members of this party I intend to oppose this bill.

[*Translation*]

M. Henry Latulippe (Compton): Mr. Speaker, may I call it five o'clock?

[*English*]

Mr. Henry Latulippe (Compton): Mr. Speaker, may I call it five o'clock?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brandon-Souris (Mr. Dinsdale)—Post Office; the hon. member for Hillsborough (Mr. Macquarrie)—external affairs; the hon. member for Halifax-East Hants (Mr. McCleave)—transport.

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

PRIVATE MEMBERS' PUBLIC BILLS

COMBINES INVESTIGATION ACT

AMENDMENTS TO STRENGTHEN PENALTIES FOR OFFENCES

Mr. David Orlikow (Winnipeg North) moved that Bill C-13, to amend the Combines Investigation Act (floor penalties, criminal joint tortfeasors, and moieties), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I have proposed this bill in view of my long held conviction that the laws of this country ought to apply with some degree of equality to all citizens of this country.

It is not uncommon in this country on any day of the week for one to pick up a newspaper, whether it be in Ottawa, Toronto, Montreal, Winnipeg or Vancouver, and read about a person who appeared in a magistrate's court charged with the theft of an article worth a relatively small amount from a store or supermarket. If it is a first offence, the person in question may be let off with a reprimand or a fine. But we can be certain that if it is a second or a third offence, the person so charged will get a jail sentence. It is usual to find in the jails and prisons of Manitoba, Saskatchewan, Alberta and also in northwestern Ontario that a large percentage, 50 per cent or more, of the inmates are of Indian or Métis origin. Many of them were convicted of some offence which was committed as a result of excessive drinking. Many of them are in jail because they could not pay the fine which the magistrate or judge imposed as an alternative to the jail term.

• (1700)

Recently, in the province of Quebec, there was a strike by Public Service employees. It is certainly not for me to discuss here this afternoon the reasons or justifications for that strike. Suffice to say, for the purpose of my discussions today, that a dozen or more of the people involved in that strike, who did not heed an injunction order that the strike be terminated, were sentenced by a judge to six months in prison. I do not know about other members of this Chamber, but I was struck by the pictures I saw in various newspapers of a group of young women in their twenties being carted off to jail for six months because of their involvement in the strike. I am not going to discuss this afternoon what I consider to be too severe sentences, but I give these illustrations in order to compare this kind of sentence on the part of Canadian judges with the kind of sentences handed out to some of the most prominent and highly respected corporations of this country after convictions under the combines act.

We have had this kind of legislation on our statute books in Canada for more than 50 years, during which time there have been perhaps more than 100 prosecutions and convictions, with something in the neighbourhood of hundreds of thousands of dollars paid in fines following the conviction of the offending corporations. In many cases, in spite of the conviction, and in spite of the fact that a number of the largest corporations in this country have been found guilty not just once but more than once and ordered to cease and desist, the courts have never in any of these cases imposed a penalty other than a fine.

The purpose of my bill is to strengthen the penalties for crime committed in violation of the combines and monopolies act. It will amend a present section of the act which contains no floor for the penalty. The bill does not interfere with the penalty for a first offence, but provides that on a second offence there shall be a mandatory minimum jail term of one year and, on conviction of a third or subsequent offence, a mandatory minimum jail term of two years. The maximum jail term remains at two years.

Before spending a few minutes discussing the history of one of two of these cases, let me refer to a case which was reported in the Toronto *Globe and Mail* last Saturday, April 23, 1972. The headline reads "Ready-mix firms fined $245,000". Let me quote a few paragraphs of the story as follows:

> Twelve firms that admitted conspiring to prevent or lessen unduly competition in the production, manufacture, sale or supply of ready-mixed concrete between 1961 and 1968 were fined a total of $245,000 by Mr. Justice John Osler yesterday.
>
> In total, the fine is the largest so far imposed in Ontario for breach of the Combines Investigation Act—considering the number of firms involved and the fact that all are first offenders. Heavier fines have been imposed in the past on other corporations, but they involved companies that operate in more than one province or across Canada.

Later on, the story reads, in part:

> Mr. Justice Osler said the offences were committed over 7½ years, and that not all the firms were in existence for that time or had participated in the combination for the whole period. The firms advertised themselves as suppliers of ready-mixed concrete in the Metro area.
>
> Representatives of the offending firms met often and discussed prices, Mr. Justice Osler said.

A fine of $245,000 sounds like a lot of money, but when members compare this kind of offence and penalty with offences and penalties in respect of someone who steals $10 worth of groceries or a $50 suit, they must ask themselves how much the people of Metro Toronto overpaid because of the illegal combination by these companies to keep up prices.

It has been estimated by one magazine article recently that the over-payment in the Metropolitan Toronto area by those who have built homes, by municipalities which built roads and by the province which built highways, amounted to something in the neighbourhood of $30 million. I suggest to hon. members that the payment of $245,000 in fines is a pretty small price to pay in comparison with the illegal profits in the neighbourhood of $30 million. That is why I think legislation outlining and regulating combines needs to be strengthened.

Let me put on the record in the few minutes I have left at my disposal some illustrations of companies which have been guilty of violating our laws dealing with combines more than once. In 1960, the Abitibi Power and Paper Company was fined $15,000 for an offence under this legislation. The company's net profit in 1962 was $15.5 million; $13.7 million in 1961 and over $12 million in 1960. I ask again, of what importance is a $15,000 fine to a company which has the kind of profits I have outlined? The St. Lawrence Corporation was fined $3,000 in 1958 and

$20,000 in 1960. Its profits in 1959 were over $6 million; in 1960, over $7 million and in 1961 they were over $7 million again. The Goodyear Tire and Rubber Company was convicted twice in 1953 and paid a fine of $10,000 on the occasion of each conviction. In 1959, that company made a profit of $2.3 million; in 1960, a profit of $2.9 million, and in 1961 a profit of over $3.5 million.

• (1710)

I could go on with innumerable similar illustrations. However, let me speak for a moment about the kind of people who are involved in these transactions, because after all corporations are not operated by some kind of faceless individuals. They have offices and directors. Let us see who some of these people are. Bathurst Power and Paper Company has been convicted of violating the anti-combines laws. Then, we have the St. Lawrence Corporation which was convicted in 1959. Who were some of its directors? One was Mr. R. H. Winters.

Mr. Béchard: It is very important to mention the name.

Mr. Orlikow: I think it is. It is very important for the people of this country to compare how ordinary citizens are dealt with when they appear in the courts. I suggest to the hon. member for York East (Mr. Otto), if he has not done so, that he should take a look at the reports of how two citizens in metropolitan Toronto were dealt with recently as reported in the Toronto *Globe and Mail* and compare their harsh, brusque, insensitive, discourteous treatment by the Justice of the Peace or the judge who dealt with them with the kind of treatment meted out to the officers of corporations such as those to which I have referred. This is precisely the point I am making and the reason I have raised this matter.

The St. Lawrence Corporation which was convicted in 1959 had on its board Mr. McCutcheon, Mr. E. P. Taylor and a host of others. Members will say quite justifiably that writing into the legislation a provision which would make mandatory a jail sentence on the occasion of a second or third offence will not stop illegal combinations. Certainly, members on the government side will say that the new competition act will deal much more effectively with illegal combinations in the future than the combines legislation has up until now. Well, the people of this country have lived for 50 years with anti-combines legislation brought forward by Liberal governments. We have seen the largest corporations of this country ignore the law. We have seen them combine to break the law to illegally maintain prices at an exorbitant height. We have seen governments, both Liberal and Conservative, do virtually nothing about the constant and repeated breaking of a law which is just as important to the people of this country as the laws under which poor people in the cities and Indians in the villages and reservations are sent to jail.

I do not believe the enactment of the provision I propose will make the corporations suddenly live up to the law, but I think it would go some distance towards making the ordinary citizens of this country believe that the law treats the rich in the same way it treats the poor, which in my opinion it does not do at the present time.

Mr. D. R. Tolmie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, a bill in identical terms has been introduced by the hon. member at nearly every session of Parliament since 1963. It has been debated three times, namely, June 5, 1964; November 4, 1966, and March 15, 1968. The references to sections of the Combines Investigation Act in this bill are to those in the act as found in R.S.C. 1970, Chapter C-23, which came into force on July 15, 1971.

The principal part of the bill, sections 1 to 6, is taken up with providing for mandatory minimum terms of imprisonment of one year and two years for second and third breaches respectively of prohibition orders, and for second and third offences respectively against the provisions relating to conspiracy in restraint of trade, merger, monopoly, discriminatory and predatory pricing, discriminatory promotional allowances and resale price maintenance. A court may now impose a sentence of up to two years' imprisonment for a first offence. By virtue of section 646 of the Criminal Code, however, a fine in the discretion of the court may be imposed in addition to or in lieu of imprisonment. The intent of the provisions of the bill, however, is that on conviction for a second or third offence the Court would be required to impose a sentence of imprisonment.

The proposed changes would not affect corporations which, of course, cannot be imprisoned, and under section 647 of the Criminal Code a fine in the discretion of the court may be imposed. To some extent, the proposed amendments are impractical in that corporate officials or employees are not necessarily in one position for too long, so that officials or employees concerned in a second offence could quite likely be different from those convicted in the first instance. The proposed amendments might, therefore, have little practical effect. Also, if the offence concerns a different product line, for example, paperboard, pulpwood, containerboard or fine paper as in the paper industry, the courts do not always appear to have considered an offence, involving a different product line from that in respect of which the firms were first convicted, as a second offence.

Actually, what is intended to be raised by this bill is the perennial question of whether corporate officers, officials or employees should be prosecuted in addition to, or in lieu of, the corporation itself. In the past there has been a practice, when charging corporations, not to charge the particular officers and directors. In recent cases, however, where corporations have disappeared by surrender of charter or amalgamation, it has been decided to proceed against the officials of such corporations who were concerned in the offence. Also, with relatively few exceptions, counsel have recommended that corporations only be charged.

Since requests for opinions normally ask who should be charged as principals, and in conspiracy cases named as co-conspirators, the usual answer to a question of this nature is that the parties prosecuted are those in accordance with the recommendation of counsel. Quite apart from any reluctance there may be to recommend prosecution of individuals, there frequently are sound practical reasons for prosecuting corporations only; for example, evidence of a particular officer or official may be necessary in the prosecution and this would not be available to the prosecution if the individual were charged as a princi-

pal in the same indictment and, if his evidence were necessary, there would be little point in preferring a separate indictment against him. Also, a prohibition order is applicable not only to the corporation convicted but to its directors, officers, employees, servants and agents. Since it is a perpetual order, it applies to persons occupying such positions at any time the order is in force. Orders against individuals apply only to that individual, and if he is transferred from his position the order may be of no practical value—for example, if he is transferred from a line to a staff position.

• (1720)

Now, let us examine very briefly the proposed provision for double damages on conviction. This is a very unusual device which presumably appears to have been used in an effort to avoid impinging upon provincial powers. It does not confer any civil right of action for a breach of such a right. The Supreme Court of Canada in Direct Lumber Company Limited versus Western Plywood Company Limited 1962 S.C.R. 646 has held that the then Criminal Code sections 411 (1)(c) relating to conspiracy in restraint of trade and 412 (1)(a) and (2) relating to price discrimination give no cause of action in damages to a person alleging a breach of these sections by another. It would appear that the same holds true for the successor provisions, 32 (1)(b) and 34(1)(a), and (2) respectively, and the other paragraphs of these provisions of the Combines Investigation Act. There may, however, be a right of action for common law conspiracy and also a right of action in Quebec under the civil law, but these points were not dealt with by the court.

The analogy to section 159 of the Excise Act—not section 158 as stated in the explanatory notes—is not an apt one. Section 159 refers to recovering double the amount of the excise duty and licence fee which should have been paid, a definite and readily ascertainable amount. Likewise, section 652 of the Criminal Code, also referred to in the explanatory notes, provides for recovery by civil proceedings of a fine, penalty or forfeiture imposed by law which is not only definite and readily ascertainable but is of course different from damages. The practicability of the section proposed in the bill, I submit, appears to be open to question.

It should be remembered that section 55 of Bill C-256, to enact the Competition Act, which was introduced at the last session of parliament, provides that a person who has suffered loss or damage as a result of a violation of any of the criminal provisions or a breach of an order of the Competitive Practices Tribunal may recover double damages. Also, section 80 provides that at the time sentence is imposed following a conviction the court may order the accused to pay to a person injured by the offence double the damages suffered by such person. This is an alternative to civil proceedings. Bill C-256 is presently being revised and representations have been received with respect to these provisions.

Section 8 deals with the personal liability of corporations, officers and agents. This clause provides that, where a corporation has committed an offence under the Combines Investigation Act or has failed to comply with an order made under the act, any director, manager or officer of the corporation who does or fails to do, or acquiesces or assents in, any act constituting an offence or any element of such act or neglect, is guilty of the offence personally and jointly with the corporation. As the explanatory note in the proposed bill states, the principle of this provision is already contained in section 38 (e) which applies to refusal to permit entry of premises and examination of documents and failure to file returns of information. This section was first enacted as part of section 22(1) of the Combines and Fair Prices Act of 1919 and in similar form has been in the present Combines Investigation Act since 1923. There does not appear to have been any debate whatever on the provision, and therefore no indication why it was made applicable only to the foregoing provisions and not to others of a similar nature such as failure to make and submit affidavits when required. There is no other provision of this nature in the Combines Investigation Act.

In Bill C-256, the Competition Act, subsection 73(7) deals with the liability of officers or directors, where offences against the criminal provisions have been committed by a company, as follows:

> (7) Where a company has been convicted of an offence under this section
>
> (a) every director of the company, and
>
> (b) every officer, servant or agent of the company who was in whole or in part responsible for the conduct of that part of the business of the company that gave rise to the offence,
>
> is a party to the offence unless he satisfies a court that he had no knowledge of any of the acts constituting the offence and could not reasonably be expected to have had such knowledge and that he exercised reasonable diligence to prevent the commission of such an offence.

This provision in its present form has been subject to strong objection as imposing too heavy an onus, and imposing the same responsibility upon directors as upon officers responsible for the day to day operations of the company. In the revision of the bill this provision is being considered in the light of these objections.

Thus, Mr. Speaker, since as much work has and is being done on the whole question of the combines legislation, I would suggest that the questions raised by the hon. member would be better considered in the context of the legislation itself rather than as a separate entity. It is fair to say that the subject of the Combines Investigation Act is one that touches on the very fabric of our commercial structure. As a result, I feel that we owe it to the business community to review it as it relates to business law as a whole and not as an isolated aspect of business.

Mr. Stan Schumacher (Palliser): Mr. Speaker, first I should like to say that I agree with most of what the hon. member for Welland (Mr. Tolmie) has had to say on this bill, but I think he is going a little too far when he asks that we attempt to solve these problems by approving the proposed competition bill. While some of the things the hon. member had to say concerning the problem in the context of that bill may be all right, like so many other things that are proposed by this government the bill contains some provisions that would make the price too high to pay.

In reference to the remarks of the hon. member for Winnipeg North (Mr. Orlikow), the sponsor of the bill, I should like to point out that while it is regrettable that

companies do combine to the detriment of the public and there have to be laws and punishments to deter such combinations, the examples that he mentioned did not seem to indicate that there was very much recidivism involved.

• (1730)

The hon. member did not produce any examples which would indicate that a jail term, as proposed by this legislation, would ever have been imposed. He referred to the Goodyear Tire and Rubber Company having two convictions registered against it in one year, but I would suspect that the offences arose in the same time-frame or in more or less the same transaction. No examples were given of a company committing an offence, say in 1960, another in 1965 and another two or three years ago.

I think one of the biggest problems in this area lies in the fact that the government does not seem able to secure as many convictions as are probably needed. There are many examples of municipalities putting work out to tender where the bids have been identical. This indicates there is something wrong, if not in the administration of the law at least in the manner in which it is framed. I say that the law must be more efficiently administered or adjustments must be made to it. There does not seem to be any evidence of the same people committing the same type of offence over and over again, and therefore there does not seem to be the need to increase the statutory penalties as proposed in this bill.

It is interesting to note that the hon. member who proposed the bill seems to have a different attitude toward this area of the law than he and his party have toward other areas of the criminal law and punishment. I refer particularly to the area of capital punishment and offences against existing drug laws. I am not convinced that jail terms are much of a deterrent; perhaps they are even less so than the mere fact of a conviction registered against an accused person or corporation in the area of law under review.

I am more concerned with clause 7 of the bill than the rest of it, because that clause would appear to allow an injured person to share with the Crown an increased monetary penalty; it appears to propose a 50-50 split. What is much more important here, Mr. Speaker, is that the law be changed to follow the practice in the United States where private prosecutions or private actions are allowed against offenders or monopolists or people who combine to increase prices to the detriment of the public. It may be said that this is a provincial matter, but such actions take place in federal courts in the United States.

Our confederation is slightly more centralized than confederation in the United States, so I do not understand why this practice could not be adopted here. We would probably have much more efficient administration in this respect if private enterprise were given a chance to enforce the law and if provision were made for people who have suffered as a result of unlawful combinations to bring action on their own behalf and to be rewarded for doing so by being awarded double or triple damages. I think the social ill we are striving to cure would be eradicated sooner if this type of incentive were provided to private enterprise.

[Mr. Schumacher.]

In summary, I would say that no evidence has been produced that people repeat the offences referred to in this bill and therefore what is proposed by way of jail term will not be put into force. There is no evidence that it is needed. If damage is done to members of the public, they should be allowed to bring action to recover the damage caused by illegal combinations.

Mr. Keith Hymmen (Kitchener): Mr. Speaker, in addressing myself to Bill C-13 I think it would be fair to say, as has already been said, that it appears to be merely a repetition of similar bills introduced by the hon. member over the last number of years. It has not changed in its proposals in any substantial way, so arguments put forward in past debates which have refuted any possible usefulness and adequacy of the bill and its forerunners are clearly pertinent and applicable now.

I say this particularly in view of the comments made a short while ago by the parliamentary secretary, the hon. member for Welland (Mr. Tolmie). He has explained quite well, I believe, that this bill has no particular importance at this time because the whole question of combination law in Canada is under comprehensive review and has been since the introduction at the last session of Bill C-256. Business organizations and consumer groups have, I believe, had admirable opportunity to make their views known in regard to the provisions of Bill C-256, the so-called competition act. I believe they have done so both publicly and privately to the present minister and to his immediate predecessor and departmental officials.

Perhaps, however, it would be a good idea to restate some of the arguments put forward in past-debates against the hon. member's proposals. The gist of Bill C-13 is that it would be mandatory for the courts to impose a sentence of imprisonment on a representative or representatives of a corporate entity for a second or third offence under the Combines Investigation Act. On June 5, 1964, the Honourable Mr. Marvin Gelber pointed out that the Criminal Code then provided for the kind of penalties for which the hon. member for Winnipeg North (Mr. Orlikow) was asking. He quoted a decision of Mr. Justice Judson in the case of *Direct Lumber Company, Limited v. Western Plywood, Limited* in which the justice said that section 21 of the Criminal Code provided as follows:

(1) Every one is a party to an offence who

(a) actually commits it,

(b) does or omits to do anything for the purpose of aiding any person to commit it, or

(c) abets any person in committing it.

Mr. Gelber pointed out that this made redundant the bill then introduced by the hon. member.

Mr. Orlikow: Have the provisions of the present act ever been used?

Mr. Hymmen: On November 4, 1966, the hon. member for York-Scarborough (Mr. Stanbury), speaking to the bill introduced that year by the hon. member for Winnipeg North, said:

Mr. Speaker, it is time we focused our attention more sharply in this country on our anti-combines legislation. I think there is much concern about the practices of the past. I think the government is

indicating that it wishes to concentrate its efforts more and more on this aspect of public policy.

Mr. Speaker, this has now been done through the medium of Bill C-256. While I admit that with the termination of the third session of parliament and the commencement of another session, technically Bill C-256 has no status, I understand that the minister at an appropriate time intends to introduce—

Mr. Orlikow: After the next election, or before?

Mr. Hymmen: —an improved and amended bill.

Mr. Orlikow: Before or after the election?

Mr. Hymmen: May I refer again to the remarks of the hon. member for York-Scarborough in 1966. At that time he made the following further observations which are undoubtedly applicable today:

Surely the net which Bill C-30—

That was the bill's number in 1966.

—attempts to cast to make all directors liable is too broad. For instance, certain conscientious officers might actively seek to prevent breaches of the combines act by their company's policy and would take great care to avoid any participation in or condonation of illegal activities.

• (1740)

The hon. member, who is now Minister of Communications, proposed a little later in his speech that the government be more venturesome in this type of legislation. He said:

Now, Mr. Speaker, I think the government of Canada could be much more venturesome in attempting to provide some real deterrent in respect of a breach of the law in this field and in providing some protection for consumers. This is something which I do not think Bill C-30 accomplishes at all.

I think that these words also apply to Bill C-13. The hon. member went on to say:

I believe our principal concern should be the protection of the consumers. Under its powers in the field of trade and commerce this parliament should be able to enact legislation which would make it possible to impose a civil liability on offending companies under the Combines Investigation Act.

I think Bill C-30 tends to be impractical in the accomplishment of the aims which it seems to have. Its minimum penalty provisions are not consistent with the trend of thinking in the whole field of criminal law. I believe the remedy, in the field of a deterrent, lies in better trained judges and perhaps prosecutors. I feel this is an area which has been neglected and should be examined most carefully by the new Department of the Registrar General with a view to obtaining some recompense for consumers who have suffered damages as a result of offences under this act.

I submit, Mr. Speaker, that this is precisely what the Department of Consumer and Corporate Affairs, which absorbed the Registrar General's department, is now attempting to do. A couple of years later when the hon. member's bill came forward again as Bill C-27, the hon. member for Elgin (Mr. Stafford) spoke to it. That was on March 15, 1968, to be exact. The hon. member for Elgin said:

Few sections of our Criminal Code make such sentences mandatory. There are some, for offences such as theft from the mails. But there are reasons for laying down minimum sentences in such cases. Under the Combines Investigation Act these reasons do not exist. I feel the judge trying the case is in the best position to judge what sentence should be awarded, according to the merits of each case.

There are many reasons for believing that the amendments put forward in this bill will not work. For example, charges are usually laid against corporations—and corporations cannot be imprisoned. The provisions of Bill C-27 would have no effect on the corporations themselves. Moreover officials change, and those concerned in a second offence might well have had no connection whatever with a previous offence. And if the directors or officials of a corporation had changed a judge would hardly be able to sentence them at the time of a second offence, as outlined by the hon. member for Winnipeg North.

Then again, an offence by a company which had previously been convicted might involve an entirely different product line, and a court might not consider that an offence involving a different product line from that of the first offence did, in fact, amount to a second offence. It can easily be seen that many difficulties would arise and that the law might be much worse if these amendments were agreed to.

I believe I have shown, Mr. Speaker, or should I say the past record has shown, that provisions similar to those of Bill C-13 standing in the hon. member's name have been thoroughly debated in the House on many occasions. The proposals of the hon. member's bill are certainly not substantially changed and have been answered quite adequately, at least to my satisfaction. Furthermore, one hon. member who spoke earlier outlined some of the proposals of the competition bill which will, I feel, cover quite adequately the principles which the hon. member for Winnipeg North has for so long attempted to have enacted into law.

Also, as has been said, the Department of Consumer and Corporate Affairs is treating this very far reaching legislation with the delicacy it merits by giving all groups who wish to comment an opportunity to do so. This can only have a beneficial effect on the ultimate legislation, to the advantage of business and consumers alike.

Mr. Steven Otto (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I will not say that this subject does not need refreshing comment. The hon. member for Winnipeg North (Mr. Orlikow) has again brought forward the subject, and I do not object. He reminds me of an old-time socialist who has not kept up with events in the last few years and does not know what has happened to the corporate structure. In his mind, large corporations are like the robber baron entities of 1910. He has never tried to bring himself up to date on how corporations act, and so on. Let us ask, what is the purpose of this bill? Let me say that I am not an apologist for corporations.

In the field of corporations a great deal must be done by this government that has not been done, and by provincial governments. Both levels of government must enact measures in connection with corporate structures, since these structures by and large are not really fulfilling the functions they are supposed to fulfil. Directors do not give a darn about what is going on in the business; they want to make money on the stock exchange. Stock exchanges are vying one with another to be the centre of the great con game. Shareholders no longer seem to carry much weight and the officers who run the company are divorced from the directors in regard to responsibility. The entire corporate structure should be reformed.

However, this bill has absolutely nothing to do with that subject. I feel that the hon. member for Winnipeg North does not actually know how a corporate body functions. I wonder if he can tell us exactly how combines come into being. If he can bring forward evidence, I am sure the Department of Justice would be only too pleased to listen to it. That department would like to know exactly which people in which corporations make deals with people in other corporations, and so on.

Suppose, for a moment, this bill were enacted into law. Do you think for a moment that the directors or officers would ever make a decision? Do you know what they would say? They would say, "Since we are only the representatives of shareholders, let them make the decision." The directors and officers would be afraid to do anything on their own. They would say, if charged with making a bad decision, "We did not make the decision; the shareholders made it". I ask, can you prosecute all the shareholders of a company? They may run into the thousands.

Mr. Orlikow: Will the hon. member permit a question, Mr. Speaker? Is the hon. member for York East (Mr. Otto) not aware of a very well known case in the United States involving electrical companies charged with and convicted of combining to increase the price of generators? I think one high-ranking official of General Electric, and there may have been more, went to jail for six months. If the American courts can do that, why cannot the Canadian courts?

Mr. Otto: Mr. Speaker, I am not aware of the case to which the hon. member refers. Do not forget that in this country we have prosecuted officials for doing things they were not supposed to do. In this bill the hon. member wants to merge the responsibilities of directors and shareholders. He suggests that a corporation, if convicted, should go to jail. Of course, you cannot send a corporation to jail.

Mr. Orlikow: Who makes the decisions in a corporation?

Mr. Otto: I remind the hon. member that despite his great plea against combines, he nevertheless favours monopolies as they exist in Saskatchewan. If an enterprise is nationalized—in other words, if there is no free competition—a monopoly is created. The hon. member supports that kind of monopoly; it is in line with his political convictions. In that kind of monopoly an industry is in the hands of very few people and there is no competition of any kind.

• (1750)

Let me put this to the hon. member. At the present time, a corporation guilty of acts which may tend to raise prices or result in a combine can be put out of existence. No individual can be put out of existence. If the court feels the crime is sufficiently important, and if the corporation has $5 million in the kitty or $5 million in assets, there is nothing to prevent the court from imposing a fine of $1 million for each day of every infraction, and that corporation is dead so far as business is concerned.

Mr. Orlikow: Have they ever done it?

[Mr. Otto.]

Mr. Otto: I said if the court thinks it is advisable, not if the hon. member thinks it is advisable. We hear a great many complaints about corporations being nasty, and everything else; but when it comes to jobs, the hon. member is the first to say corporations should not be firing but should be hiring more people. The hon. member cannot have it both ways.

If the hon. member presented a bill which contained constructive ideas about how the whole corporate structure can be improved—and I dare say it can be improved, even recognizing some of the American concepts which have been adopted in regard to corporations—I would support it. However, to say this bill will prevent combines is nonsense. Before any legislation or ideas are presented we should find out why we have this state of affairs. Why do corporations try to combine or maintain a certain price level? By and large business is still very competitive. A business, corporate or otherwise, does not like to get into a position where there is no competition because there is no room for growth. It is a matter of distribution.

In most cases where there is any evidence of an attempt to hold a firm price, such as for cement and concrete as the hon. member mentioned, it is because the structure for tendering has broken down. I have been involved in business. A great part of business is tendering. When submitting a tender to a municipality or a large group where the money is secure you tend to reduce your price below that which is profitable. Invariably there is a company or concern which has a big staff and they do not want to get rid of that staff. They decide to put in a low bid for a city contract because it is large, even though they will lose money. They will then be able to continue in business. When the next contract comes along they will be able to tender a higher price because someone else will be underbidding. Then before you know it, everybody is underbidding.

Many companies which have tried to fix prices have gone out of business even with the fixing of prices. Many large corporations such as Perini and McNamara have suffered a great deal under our system of tendering because it is presumed that every corporation or company that tenders a price is thinking of a regular, normal price with a profit mark-up. They are not; in many cases they are in desperate straits or want a contract for some other reason. They make bad decisions just as other people do, with the result that they tumble one after another.

There are many cases presently before the courts where municipalities are being sued by suppliers and labourers in order to make up the difference when a contract has gone down under the tendering system. In effect, what we now have is a faulty system of tendering. For that reason some corporations try to get together. They feel that since they are all going to go down, they should see if they can come to terms. An individual or a corporation might try it but if they are caught, they are dead. The question, is why did they do it?

Should we not be thinking of a different method of tendering? For example, in the construction business in Italy, the lowest tenderer does not necessarily get the contract; there is an arrangement by which a tender which is closest to the estimate orginally made by the department or municipality is successful. Other countries

have other methods. The construction industry in Canada and the United States has been examining this problem, trying to find a new method by which the most able and most responsible person will get a contract to sell goods and services. We have a problem, but it is not as vast as the hon. member makes out. If we are to do anything about this problem, this bill will certainly not do it.

The hon. member referred to a recent decision of the Quebec court in connection with a contempt of court charge. I would like to refresh his memory. There is a vast difference between a contempt of court decision and a decision under the combines act.

Mr. Orlikow: Will the hon. member permit a question?

Mr. Otto: I will in a moment. If there is a court order against an individual within a corporation not to do something, and he does it, he will receive exactly the same punishment. That is the decision of the Quebec court. That case concerned an individual who by his actions displayed contempt of court. If this type of conduct were allowed we would have anarchy. The hon. member cannot on any ground refer to that type of decision and say, "Look at what they are doing there. This is a corporation doing the same thing again." However, it is not doing the same thing again. If there was a court order applying to a corporation executive or officer, and it was disregarded and the officer showed contempt of court, he would receive exactly the same punishment or jail term as in the case in Quebec.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs and the amendment (Mr. Lewis) p. 1448.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased to speak on the amendment submitted by the hon. member for York South (Mr. Lewis). We will readily support that amendment. I would like to be able to support also Bill C-170 introduced by the hon. minister. Unfortunately, I could not congratulate the hon. minister, although we are not against an increase in family allowances, we want them at all costs.

I for one have been asking an increase in family allowances since I was elected as a member of this House in 1962 and family allowances have remained at the same level since then. In fact, the family allowances program did not change so to speak, since its establishment in 1945, except for a few scraps given just before an election to meet families' needs, to get the people's votes. Yet the cost of living increased by almost 300 per cent and all the sectors of the economy followed that increase; Parliament members' emoluments were increased as well as public servants' salaries, judges emoluments and employees salaries, but family allowances were not. Therefore it is about time we do something about family allowances.

We welcome the amendment of the hon. member for York South because we are opposed to a selective family allowance system.

I would like to speak of the right of Canadians to share in the profits derived from the goods of the community at large, a right which every citizen has.

Every citizen in every country, Mr. Speaker, is entitled to a share of the profits derived from the productive capital. Everyone has to be granted this right. This is distributive justice. We talk of the just society. In order to have a just society, you have to distribute its profits. According to distributive justice, profits have to be distributed to the society mostly within a family allowance system.

The objective of distributive justice, Mr. Speaker, is to insure that everyone shares in the collective wealth, for there is a hierarchy in any well-organized group, precisely because of the existence of the group, whose members have to receive their fair share.

This life in society, Mr. Speaker, has allowed for the passing on from one generation to the next of acquired knowledge, of technical advances. In our modern world, family allowances in Canada are still paid, at present, in an outmoded way.

According to the provisions of Bill C-170, payment of family allowances will certainly be made again on the former basis, because no consideration has been given to the needs, rights and prerogatives of every citizen.

The main feature of this bill is that the principle of universality will be replaced by that of selectivity; in other words, we shall cease to pay benefits to children irrespective of family revenue and allocate the amounts thus recuperated to the more disadvantaged.

Will this famous Bill C-170 stand out as a victory or a step backwards? I am convinced that it is rather a step backwards, since the enactment of this bill would be detrimental to families. Our heritage, amassed and increased through successive generations, is being trampled on. Real capital constitute an important factor in contemporary society. If members of this society do not share in the fruits of this capital, in productivity increase or in this vast heritage, they very well deserve being branded as deprived citizens. They are defrauded and

dispossessed of their share of inheritance. They are being made outcasts. Distributive justice, Mr. Speaker, will consequently be vioated and brutalized.

This is the case today with family allowances and it is more blatant still, since it is an integral part of the economy of developed countries. This inequity is obvious to the naked eye if we look at the facts as they are and not through the lens of regulations. Such is also the case on a world-wide scale because the people of under-developed countries also belong to the human race.

But our planet and its resources, Mr. Speaker, have been intended for all mankind. Therefore, there is already a certain common wealth, a gift of our Maker, in which everyone should somehow share. We are toying with a fundamental right, that of family allowances. It is more than fundamental; it is a common right given to each member of our society.

Therefore, man as a reasonable being, derived from nature itself the fundamental right to make use of the material riches of the earth, although the practical implementation of this right is left to the human will and to the judicial structures of nations. A basic right is always vested and need not be subject to any other principle; it proceeds from the very nature of man. A basic right cannot be questioned; what we must seek is the most effective means of granting this right more easily in practice.

• (2020)

Any legitimate and perfectly adapted government must offer a choice to its people. It must, however, establish adequate methods of distributing the goods, either domestic or imported, which are available on its territory.

It is neither in an unlimited production nor in the impressive statistics of trade and commerce that one must look for the true image of the actual prosperity of a people. One needs only consider the standard of living of each and every family and individual to determine the adequacy of material possessions. But does this adequacy exist?

Mr. Speaker, the economic wealth of a country does not really consist in abundant goods, measured by a simple appraisal of their actual value, but rather in what such an abundance represents as an adequate material basis for the individual and proper development of its citizens.

If a fair distribution of goods is not or is only partly achieved, the real objective of the national economy would not be attained. However abundant the goods may be, the people are poor because they are deprived of them.

Even though such a fair distribution may be effectively and lastingly achieved, the people will become poor, despite the large amount of available goods. Besides, it is a wrong to say, in our country with its large production, real or potential, that some people's wealth makes others poor.

Mr. Speaker, the rich do not eat all the bread nor do they wear all the clothes. Neither do they keep for themselves all building materials that the country may produce. Some people are ill-fed, poorly dressed, badly housed, but not because the rich are rich. Part of the population is deprived of essential goods taken from

Paul's plate, to put something in Peter's empty plate. This does not help at all, when one knows that the larder is full.

Mr. Speaker, this is the ridiculous and disastrous situation we are in. We are against such a legislation that goes against principles or condones the unfair distribution of material goods among the people and the families. However, it is no substitute for civil authorities when it comes to choose formulas or enact nonsensical laws and regulations.

Bill C-170, Mr. Speaker, does not meet the needs of the people.

There are surely some defects that must be eradicated from our present form of capitalism, such as the concentration of wealth and the faulty distribution of its abundant production. But this does not entitle me to replace it with the economic and political formulas of the Communist regime with its tremendous criminal record.

One must be incurably blind not to see them or dishonest to excuse them.

In itself, it is easier to distribute than to produce, when artificial obstacles are not raised. These exist in the economy of wealth of capitalism. They are of a financial order, and nobody can deny it, since this is where governments at all levels are stumbling.

Mr. Speaker, Bill C-170 is a violation of familial liberty since it is aimed at a degrading control of income which, rightly so, belongs to the family. It is time for the government to give back other people's property. We should give to anyone the right to distributive justice through national family allowances based on facts and reality.

Mr. Speaker, the facts prove that each citizen is entitled to the necessities of life. When national product goes on increasing, the Canadian standard of living should also rise. Both guaranteed minimum income and guaranteed salary should exist. Trade unions are uttering all kinds of protests demanding guaranteed salaries for workers. Financiers gained recognition of a guaranteed right to interest on their money.

In our society, many properties are so guaranteed but we have not yet given any guarantee to Canadian families and children, so that our country may reach the highest level of affluence and that our population may increase, because we know that in view of our tremendous responsibilities resulting from national, provincial, municipal and educational debts there are not enough citizens to distribute these debts conveniently. We must increase our population at all cost. Are we going to do it by depriving Canadians of their inherent right to justice?

• (2030)

Already we are depriving the Canadian people of their main right, a right to life, to usufruct, to discharge of justice and to distribution of property hoarded over generations. All that property hoarded over generations belongs to the citizens of this country. We know that Canada's population is not large enough. We know that on account of our debts, we would need at least 50 million inhabitants.

Now, Mr. Speaker, everything has been done to restrict the size of our population, to prevent people from developing, to prevent citizens from being born in this country.

We should grant every newborn child a dividend of at least $1,000. We should offer a gift to each father on the birth of his child, since a child means much more than an animal.

This afternoon, we had discussions with representatives of l'Union des cultivateurs. We were told—and we knew it, since a legislation to that end was passed in the House—that the farmers were to receive a $5 dividend for each weanling, whatever the number of weanlings.

But, when human beings are concerned, their number has to be restricted. Family allowances are being limited. Family allowances are being withdrawn from those who build the country, from the most valuable workers in the country, those who build homes, work day and night, develop themselves and our national heritage as well, who indirectly strengthen our economy. We are taking away from them what they are entitled to, that is family allowances. Family allowances are being withdrawn from those who pay the largest share of taxes, who are the biggest consumers, for, devoting most of their time to construction, they are constantly buying all kinds of materials.

We should finance Canadian families since they are the largest consumers within our economy. The larger the family, the higher the consumption. And, at the present time, there are surplus products in our country. This year, we have produced goods worth $95 billion, yet we hardly used up $54 billion. There remain some $40 billion surplus production in warehouses, on counters, that were capitalized. Individuals will have capitalized about $7 billion and corporations $30-odd billion.

Some hon. members say, like the member for Montmorency (Mr. Laflamme) for instance did last Thursday: Where are you going to get the money? You ask for higher family allowances but you do not even wonder where you will find the money. They find it dreadful to grant an additional $150 million to the population for a most noble and endearing cause. If we had no families we would not need any government. If we had no families we would not need any institution. Institutions are set up to serve families.

So let us put the family allowances at the service of the family, at the service of the nation. Let us give the nation all the encouragement required. The finest, most social, most human investment should be found within the family, within society. We should not subsidize piglets only but human beings as well because they really constitute our society's capital.

And if this society is going to the dogs, where shall we go, Mr. Speaker? Certainly, we need to increase our population, and it is up to us to take the necessary measures. If we have a surplus production of about $40 billion, we can find there all the financial means to help our families, to contribute to their development and we can make available to them the technology we have. We can also help the schools, universities and citizens to develop intellectually and morally, fully, in a word, because we have all the resources needed.

Although we have a surplus production of $40 billion this year, 50 per cent of the population is unemployed and, therefore, does not share in the increase of the national assets. If we were to put all these citizens to work and the necessary capital in the hands of our consumers, of our large families, of all those who have children, so that they may spend and consume more, there would be an upsurge in our economy. Our economy would develop more and these citizens could pay more in taxes and returns to the state, while at the present time the less we give to our society, the more our society declines and our institutions deteriorate.

Mr. Speaker, I beg the hon. members and especially the minister to open their eyes. I beseech the minister to discard this famous bill and to bring out something new which will insure the necessary well being of our people. Our people have needs which we are in a position to meet since we have the necessary resources. At present the resources benefit some 20 per cent of the population at the very time when 80 per cent of that same population has a great number of needs. Therefore we must organize our economy so as to meet those needs, and allow our society to expand further and our families to get bigger and bigger through aid and encouragement.

This bill will deprive those who work in order to give something to those who work less. Generally speaking, those who will produce an income will pay for the others although they are the ones who really work and who do not spare their efforts in order to give the economy the impetus it needs.

I urge once more the minister to thoroughly revise his bill, to introduce a social measure that will be fair for all families, because it is the national distribution of goods which is at stake here. National resources do not belong only to a few individuals, but to all members of the community. And if this distribution is not done as it should, it is unfair, antisocial, inhuman, and it will result in a class struggle, already more pronounced than we suppose it to be.

This must stop, because we are here in order to give justice. We shall do this through an honest administration. The one that the minister proposes to us is not honest, because it is contrary to natural law, according to which each and everyone is entitled to his share of the heritage.

• (2040)

If some people are better off than others, or if they owe any dues to the state, the income tax people will see to it that these are collected. Vast surpluses, if any, could thus be reached through a reasonable system of taxation and basic exemptions.

But to deprive families earning $7,000, $8,000 or $10,000 from the bare necessities of life when they have mortgage payments to meet and other debts to pay, amounts to depriving them of the aspiration to have more children. By so doing, we would deny them the most sacred and important right, that of raising a family.

Families should be given incentives in accordance with the available surplus in our society. A just society should distribute this surplus, and by means of family allowances, we are distributing the value increase of society to everyone and every family and to those really in need.

There is much to be said in respect of Bill C-170. Let me simply mention, at this point, that we are in favour of the

amendment moved by the New Democratic Party which partly reads as follows:

—legislation amending the Family Allowances Act and the Youth Allowances Act to provide for a substantial increase in the allowances paid thereunder, for continuing the principle of universality, and for related changes in the income tax legislation.

We strongly support that suggestion and we congratulate the leader of the New Democratic Party for having presented it and we shall vote for the proposed amendment to give justice to every citizen, to every Canadian family, to provide the family with the necessary development so that it may progress for the good of the nation and that we may be able someday to reduce our national debt.

If society does not grow larger, obligations will be heavier for the taxpayers. Therefore, all necessary encouragement must be given to the family, to a logical and Christian point of view, so that it may develop; our society must take headway. Therefore laws must be just and must enable the family to develop normally. Our legislation should enable the family to take advantage of progress and science. All we have should serve society instead of subduing it.

We would still have much to say but I will not go through all particulars because many other members will do so. We must at all costs give our families the development they need to provide for their maintenance, in so far as the land enables them to get what they need. Land never refused to produce. Right now we have nothing but troubles: too much wheat in the west, too much grain, too many products of all kinds. We have to put restrictions on everything, we have to pay subsidies to prevent citizens from producing.

We realize, for instance, that there is an egg surplus. We have too many products of all sorts to spare. Therefore, we are not faced with a production problem in this country, where we own a hundred times more resources than we need. We could therefore increase our production.

Nearly 35 p. 100 of our population is now unemployed, living at the, expense of this society, because we have too many products to spare, because we do not want to increase our production. Since Providence has blssed us with plenty, it is up to us to manage our resources in such a way that all our people may benefit from them. Instead of boarding this glut, let us distribute it. We live in a land of plenty and we are paying farmers to refrain from producing, and we do it in every way possible. Therefore, let the family enjoy its prime rights, the right to live, and the right to develop, fully and freely.

[*English*]

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, in speaking to this amendment, I suppose the first thing that we must consider, is the failure of the present legislation to provide the same level of buying power that was provided when family allowances were first introduced by Mr. Mackenzie King in 1945. If my figures are correct, this bill would provide about 75 per cent of the amount that was provided by the legislation brought forward by Mr. King—and the plan that he introduced was universal. One wonders how far the present government has held on to the principles of what was called the government of reform at one time and is now the government of the so-called just society.

When speaking to this bill originally I brought to the attention of the House the sliding scale of payments under the legislation. At that time the minister was in the House, as he is now. I disagree completely with this type of thing, as I am sure the minister does, because he knows that the cost of administration will increase if the bill ever becomes law. Taking $4,500 as the base, the allowance will be $15 a month for a child up to age 12, and $20 a month for a child between 12 and 17 years of age.

This bill is difficult to interpret, and I do not know how the lay person who has not had the advantage of being in parliament or who does not have the legal talents of the Minister of National Health and Welfare (Mr. Munro) can understand it. It seems to me that a couple earning $9,000 a year, with a child up to 12 years of age, would not receive any family allowance. This would also apply to a couple earning $10,000 a year, with a child between 12 and 17 years of age. In my opinion, this legislation will open up a bureaucratic nightmare for the civil servants who will have to administer the plan. I hope that the Minister of National Health and Welfare and the government understand this, and that when the bill goes before the committee it will be changed.

This bill will entail a tremendous interlocking of bureaucracy. Let us consider unemployment which last year affected a great many Canadians. Many members of parliament are familiar with the jungle of complexity in which the bureaucrats administering the unemployment insurance scheme were involved. They were so far behind in making unemployment insurance payments that in many cases people went hungry. Many of them have come to my office and complained. This is not an isolated experience; it is the experience of members sitting on both sides of the House.

An hon. Member: You are so right.

Mr. Rynard: The same thing applies to the family allowances plan. In parts of this bill you will note there are provisions requiring the extraction of information from other departments of government. I remember well—those who were in the House at that time and are here today will probably remember it also—when Mr. Pearson was prime minister and everybody was given a social insurance number. These numbers were not to be transmitted from one government department to another and Mr. Pearson gave his word that they would not. When the right hon. member for Prince Albert (Mr. Diefenbaker) asked for such an assurance, Mr. Pearson vowed that this would be so. Now we see this information being handed over from government department to government department.

At one time we were assured that information relating to our income would not go beyond the Department of National Revenue. What a change there is now. Now we see that the Department of National Health and Welfare has access to information regarding our income. The same is true of the Department of Indian Affairs and Northern Development, the Department of Manpower and Immigration, the Department of Supply and Services and other government departments. We are becoming

more and more like robots with a number, and the time may not be far distant when we shall be fed and treated as if we were machines and given just what is required to operate us.

Some hon. Members: Hear, hear!

Mr. Rynard: I think every member of the House has known individuals who have completed the wrong income tax return form because of lack of knowledge and inability to understand this type of document. Even lawyers and accountants do not understand these forms.

An hon. Member: Wait until you see next year's.

Mr. Rynard: When my accountant asked me what a certain clause meant in the Income Tax Act I told him, "I sit in the House but I do not know." He said, "God knows who does, but we have paid $50,000 to study the act that this government in Ottawa has brought in." A terrible malady has overtaken this "just" government: it is quite a disease. According to the bill, if anybody makes an error it is a criminal offence and he is liable to conviction carrying a penalty of imprisonment up to six months or a fine of $1,000. In order to gain this information the Minister of National Health and Welfare would have to enlarge his Gestapo. The cheque may not necessarily go to the mother now, but to the head of the house or anyone else. The minister says that it will not go to anyone else, but that is not what the bill says.

• (2050)

This legislation will be very difficult for the ordinary person to understand. I should like to read the following excerpt from the bill:

> 18. (1) Every person who knowingly
>
> (a) makes a false or misleading statement in any application or statement required or permitted by this act or makes any such application or statement that by reason of any non-disclosure of facts is false or misleading,
>
> (b) provides any person employed in the administration or enforcement of this act or appointed to make an inquiry under this act with any statement or information that is false in any material part . . .
>
> is guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding—

Well, they are going to let him out in six months, or he may be fined $1,000. He may even be faced with a prison sentence and a fine. I do not know whether the minister has read the bill or not. He is not a bad fellow, but I think he must have had bad associates somewhere along the line in order to bring out a bill like this.

An hon. Member: He is too busy putting turf on the Hamilton stadium.

Mr. Rynard: When an application is submitted for family allowance a statement of income will have to be attached, and as soon as there is any change in income another form will have to be submitted. Benefits will be reduced by 33 cents for every $100 of family income above the basic $4,500. I would point out to the minister that by the time one buys stationery, takes the time to write a letter and puts an eight-cent stamp on it, the cost will be about 50 cents. Perhaps the minister will tell us about the economics of spending 50 cents to chase 33 cents. Incomes vary enormously in Canada. They vary amongst trades and professions, between doctor and doctor and farmer and farmer, and every time there is a variance the department will have to be notified. This makes a laughingstock of this bill.

An hon. Member: It is not funny.

Mr. Rynard: The needy people will be hounded by governments, inspectors and government workers. Investigators will travel from place to place checking on the amount of money in the bank account and where the money is being spent. Most welfare officers have done their job as gently and as kindly as it is possible to do a snooping job. This question deals with the frightening bureaucracy and Gestapo which we are gradually setting up in Canada. Imagine having your family allowance reduced by 33 cents per month for every $100 of additional income! If that is not trying to ruin the computers, I do not know what is.

When you consider that it costs eight cents to send a letter, plus the cost of stationery and secretarial services and the difficulty in making your case clear, and what it costs the government to write back and send out the bills, you wonder where this is going to end and how much of the money will go to the people who need it. I see that the hon. member for York East (Mr. Otto) is not in his seat tonight. He made the statement that nine cents out of every dollar is all that goes to the welfare recipient. I see that the Minister of National Health and Welfare does not like that, but let him refute it.

Mr. Paproski: Come on John, we are waiting.

Mr. Rynard: There is also a problem when the father and the mother in the family go to work. Their total income is to be considered. This may put them in the income bracket where they will receive no family allowance. Actually, FISP takes the baby bonus away from one-third of our families and only those at the lower income level will receive the $15 or $20 per month. As a matter of fact, Mr. Speaker, 30 per cent will receive no benefit, 18 per cent will receive less, 17 per cent will receive the same amount, and 35 per cent will receive more. This means that only 52 per cent will benefit to some degree.

Mr. Speaker, I cannot understand how Mr. Mackenzie King, who ran this country in days when it was not so affluent, could come up with a universal program and 25 per cent more payments than the present government. This government claims to be doing something for the people when it is actually depriving them of benefits. The Economic Council of Canada has said that 20 per cent of Canadian families are poor. Many of these families under our present system, would be receiving provincial welfare assistance.

I think the minister said that there are over 100,000, or 200,000 mothers in Canada but an article I read stated that there are over 300,000 mothers in Canada, raising over 700,000 children. These mothers are either unmarried or have been deserted by their husbands. I am putting these figures on the record, and if the minister has a better source of information he can correct them. At the same

time, maybe he can tell us how many other people across Canada are on welfare. In the province of Ontario, as I believe is the case in other provinces, the increased baby bonus is deducted from the welfare payment.

Mr. Munro: You had better talk to Mr. Davis about that.

Mr. Rynard: Some time ago the minister and I made an agreement. He told me to go and see Mr. Davis. We were to go together. However, the minister has never phoned me about this. I would be happy to go with him to discuss it.

Mr. Munro: Why don't you just phone him yourself?

Mr. Rynard: Mr. Speaker, I thought this minister had some communication with government departments across Canada, but apparently he does not and maybe that is what is wrong. To return to the statement that there are 300,000 mothers in Canada, raising over 700,000 children, I followed that by asking the minister how many other people are on welfare. Apparently he is unable to tell me. Maybe he will have that information tomorrow so we will know exactly what is being done.

Under the present baby bonus scheme a mother with children aged 6, 8 and 12 would receive $20 a month. Under FISP she will receive approximately $50 per month. The catch is that it will be immediately deducted from her welfare cheque. If this is not true, I wish the minister would say so In effect, that woman will lose the extra $30 she is given under this plan. She will remain in the same category as before and her financial position will not be improved one bit. Is this how the government is to treat the poor? Is this how the minister is to help the poor with this bill?

• (2100)

An hon. Member: Don't tell us you are going to vote against it.

Mr. Rynard: This is how state control operates. An hon. member to my left seems to be having a hard time making out what I am saying. He cannot understand me now, any more than he could the last time I spoke. Clearly, some people in this House are confused. The provincial governments will save some money because of this cut in welfare payments, and so will Ottawa because it now pays one half through the Canada Assistance Plan. Both levels of government are shaving their costs.

If this is supposed to help the poor, that is not the way it is understood by most of the poor who are supposed to be beneficiaries. Welfare recipients will not be allowed to keep the money they receive, while those in the $30,000 to $40,000 a year bracket, people like the minister, will keep the money they receive, perhaps not in cash but because of the $300 income tax deduction allowed for a child.

An hon Member: That is a good point.

Mr. Rynard: Let us take another look at this bill. The minister said that 1¼ million families will receive full benefits under family allowances. This in my opinion is subject to question and I have already shown why. If the minister can refute my contention, let him do so and let his remarks be on record. Let him tell us how many welfare recipients are in that position. I tell him right now that my figures are different from his. The figure I have given includes those who are on welfare and will not receive the maximum benefit. So in effect 850,000 people will receive benefits which are not as great even as the benefits that were given by Mackenzie King back in 1945, when this program started.

About 1,300,000 families now receiving family allowances will be cut off entirely. Yet this same group will be paying taxes to provide this crossword puzzle trickery of family allowances. As I said before, a couple with one child 12 years of age or under, earning $9,000 per year, will receive no family allowance. A couple with one child between 12 and 17 years old, earning $10,500 a year, will not receive any family allowance. There is also the group earning $7,500 a year and up, which does not make them rich in today's society. These people have families and they are also taxpayers, with all the implications that that carries. These people will receive less in family allowances than they are now.

I never did like the means test, Mr. Speaker. It tends to create stratas in society, the haves and the have-nots, the rich and the poor. The middle-class is being eliminated. Factory people, farmers and office workers are the backbone of this country. They are the people who buy goods and supplies and pay taxes. With inflation running at about 7 per cent in housing and food, these people are poor at $7,000 a year. They are poor at $8,000 and poor at $9,000, and they are being discriminated against.

In conclusion, Mr. Speaker, I say that this bill must be changed radically. In some respects the Minister of National Health and Welfare is a reasonable man. I hope that in committee the bill will be changed radically in the way that is necessary. The money supply this year has been greatly increased. I know this is an election year and the government wants to inflate everything; it wants everything going well so that it can say to the people, "You never had it better." This year the money supply has been increased by 30 per cent. It was increased by 21 per cent last year. By and by, if inflation is not running wild, something will be radically wrong, Mr. Speaker.

The government keeps changing its policies and monkeying around with the system. True, they did a little better with the old age pension system when they introduced the guaranteed income supplement and the 2 per cent cost of living escalation feature. The people affected by this bill will not get a nickel to compensate for the effects of inflation; they will not get one cent extra. Inflation this year is likely to run at 5 per cent. Why does this bill not take inflation into account? With inflation running wild, salaries will go ever upward. Consequently, fewer and fewer people will qualify for benefits. The minister will find it hard to say, "This is your manna from heaven," because hardly anyone will qualify.

Also, think of the cost of the bureaucracy that will be necessary to run the program. The demeaning means test must be swept out, Mr. Speaker. An increasing number of wage earners will be disqualified from benefit because of the hungry hands of inflation. Surely an escalator clause to take care of the effects of inflation could be included in the bill. We must also consider, as I have said, the great

number of bureaucrats who will be necessary to administer all the necessary services. Why not channel all these services into one service so that administration will not cost as much and so there will be fewer bureaucrats living like parasites on the backs of the people of this nation?

Some hon. Members: Hear, hear'

Mr. Rynard: The minister himself admits that a much larger staff will be needed to administer this legislation. If Parkinson's law holds true, 5,000 additional employees will be taken on in the next couple of years.

An hon. Member: That is how the government will fight unemployment.

Mr. Rynard: This is like the front-end loading practised by some companies, only this time the government will be doing the front-end loading. Let us provide benefits for those who really need them. That is the only way to do it. It seems that we are to build a huge bureaucratic jungle to oversee our social programs. We are giving a bit here and a bit there through various departments of government. Why should not all this be done through one department? Let all benefits be paid by one cheque. Let there be one form to be filled out. In that way we could avoid creating the large bureaucracy which apparently is to be created and the people of this country could get value for their tax dollars.

• (2110)

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, I would like to speak at this stage in the proceedings on the motion of the New Democratic Party to the effect that Bill C-170 be not read now but that the government rather give consideration and I quote:

> ... to the introduction of legislation amending the Family Allowances Act and the Youth Allowances Act to provide for a substantial increase in the allowances paid thereunder, for continuing the principle of universality, and for related changes in the income tax legislation.

I would like to say, Mr. Speaker, that I call this motion of the NDP the joke of the century. Firstly, the proposal to substantially increase family allowances is made without any specific figures being given, while the government precisely proposes in Bill C-170 to double and even, in somes cases, almost to triple the amount of family allowances.

Therefore, I ask members of the NDP whether they do not think this to be a very substantial increase already, and I ask them why they refuse to accept and acknowledge the effort made by the government to substantially increase family allowances.

Secondly,—

Mr. Henry Latulippe (Compton): Because it is an unfair legislation!

Mr. Ouellet: I will come to the remarks of the hon. member for Compton in a few minutes.

Secondly, I would like to say that the proposal of the NDP to preserve the principal of universality is an unbelievable position which seems to me particularly revealing at this time.

That socialist party which has always claimed to be the champion of oppressed and poor Canadians, now that it is given the opportunity to support a measure which is precisely going to help oppressed and poor people in Canada, proposes that this measure not be passed and that consideration of it be deferred.

I think this is completely inconsistent with what they have always advocated. Either they are hypocrites or they have betrayed the cause on account of which this party was created several years ago. And I should like to say that this attitude on the part of the New Democratic Party is very indicative of the fact that its members, under their new leader, are perhaps more concerned about the rich and the people with higher incomes who can afford high legal fees, than about the less privileged classes in our society.

I think that in recent years this government has clearly shown by introducing a whole series of measures and more particularly this proposal to substantially increase family allowances that it wants to bring about a more just society, that it wants to ensure a higher share of income and more generous government subsidies for the underprivileged. And when we ask the opposition to support this legislation, this party which is the self-proclaimed champion of the oppressed, objects to the bill. We shall remember this position and I am sure that the people will remember this reversal of attitude.

I would point out that social security in Canada is quite costly and amounts to about one quarter of each tax dollar. We have found it essential to help the lower income people and the poorest in our society. This is why we endeavoured to take steps to help those people but, while so doing, we recognized that we could no longer increase the burden of the Canadian taxpayers. To correct a situation which we deplored, we needed a better distribution of government expenditures and apply the principle of selectivity.

However, in the proposed motion, we are asked to perpetuate the principle of universality. This means simply that the opposition parties—the NDP supported by the Progressive Conservative Party and the Creditist Party—are prepared to keep on spending considerable amounts of money on people or families who do not need government assistance. In so doing, they are prepared to deprive the have-not families and people of a substantial increase which the present government wants to give them.

When one scrutinizes more closely the NDP's proposal, supported by a number of Social Credit members, one finds that while insisting on universality those members are in fact proposing selectivity. Indeed, they are suggesting universality of payments while in the same breath mentioning selectivity of allowances. This would be achieved by taxing these allowances on a basis which would allow for the recuperation of the total allowances paid to those enjoying a certain level of income. That is to say that the solution considered by the opposition parties only gives the illusion of universality and nothing more.

Moreover—and I think that the hon. members' attention should be drawn to this possibility—this suggestion

involves a considerable increase in disbursements and visible expenses. These excessive payments would create a whole series of reimbursement problems.

• (2120)

The recovery of overpaid benefits will unfortunately distort the relation between benefits and needs at the time of recovery.

Universality, Mr. Speaker, engenders excessive diversion of money to the benefit of families that are not poor. According to a recent survey on family and youth allowance programs, only 25 per cent of payments under those programs are paid to families whose income is under $5,000. Now, Mr. Speaker, this is a shameful situation. I believe it has lasted long enough and the government precisely wishes to correct it so that from now on Canadian families earning less than $5,000 may receive family allowances, at least 75 per cent of the money spent for that purpose.

Now the opposition parties' proposal aims precisely at perpetuating that shameful situation. Their objections to the bill as drafted seem unacceptable to me. Their habit, Mr. Speaker—and I cannot help mentioning it—of always unduly prolonging the work of this House through unending and useless debates is unacceptable. The two members who spoke before me tonight spoke for the second time during this debate; they both spoke on second reading and they just told us the same thing again. Only one of their speeches would have been enough, I think. The fact that opposition parties are perpetuating this debate shows how much they are afraid that the Canadian people may see this government proposal accepted and applied. They want to delay passage of that measure because they know it will benefit millions of Canadian families that need such a substantial increase in family allowances.

Mr. Speaker, I am not surprised at the attitude of the Progressive Conservatives who are against this bill. Their philosophy is such that they are devoted to the protection of the interests of the richest people in Canada. They have never accepted and will never accept that the steps taken be profitable to the smaller interests to the prejudice of the large ones they are protecting.

However, I should say that the position taken by the Social Credit surprises me enormously. The Social Credit party, through its representatives, has made several interventions in the House. Among others, the hon. member for Compton (Mr. Latulippe), who is here tonight, spoke on two occasions. When examining their interventions in the House, one can see that they have failed to understand this legislation, for each of their speeches contains five or six monumental errors that we will take care to explain in due course to their constituents. Their speeches in the House in no way reflect the feelings of their constituents. I had an opportunity to visit the ridings of those Social Credit members, and the large majority of their electors support the legislation introduced by us.

The people they represent is a rural population, comprising large families with low incomes. Now, the legislation that we are proposing today will considerably help those large families make both ends meet. Therefore, the position taken by the Social Credit members in the House is unspeakable and only shows that they are a gang of

[Mr. Ouellet.]

people unable to understand a bill. When opposing this one, they err considerably and we will make it a point to return in their ridings and explain to their electors that their Social Credit representatives were against higher family allowances.

I would like to go back to certain allegations made by members of the New Democratic Party to the effect that the tax system and the guaranteed family income supplement tend to favour the better off rather than the needy.

I wish to state, Mr. Speaker, that low income citizens will receive, within the framework of our new plan, vastly increased benefits due to the implementation of new exemptions provided for by the recent Income Tax Act. Moreover, their net income will increase. If we want to evaluate the impact of the government's program in relation to income, we must consider the changes that might affect net income, in other words, the amount of money available to a family for its expenses once benefits have been paid and taxes deducted and taking into account the relative importance of supplementary benefits in regard to current family income.

As regards the number of people who will actually benefit from this new plan, we would say that it is appreciable. Almost 70 per cent will receive maximum or partial benefits: 36 per cent will receive maximum benefits and 34 per cent partial benefits. Therefore, only 30 per cent of families will cease to receive benefits, that is families with an only child and earning around $10,000, through and up to those whose income exceeds $14,000, if they have ten children.

It is not true therefore, as some hon. members of the opposition have suggested, that this legislation will penalize families earning $7,000, $8,000 or $9,000. I suggest that they have not understood this bill at all or that they deliberately want to mislead the people.

I would like to point out a statement made by the hon. member for Compton and tell him that it is absolutely false to pretend that a family with six or seven children and earning $7,000 will not receive any benefits. Not only will it continue to receive them, but it will receive increased benefits.

The hon. member for Lotbinière (Mr. Fortin) also made the same mistake in his speech of last Thursday on the same matter. This proves that members of the Social Credit party have not understood a thing about this bill or are deliberately trying to deceive the people.

The hon. member for Lotbinière, as shown at page 1479 of *Hansard*, gave the example of a head of a family who has eight children and who gets an income of $8,000 per year. I quote:

> His neighbour, another head of a family who lives on welfare, supports three children. The latter will get the maximum allowance.

But according to the member from Lotbinière, the first one will no longer get any allowance. Now, this is completely wrong.

An hon. Member: They are not educated.

An hon. Member: They do not know how to count.

Mr. Ouellet: Mr. Speaker, I suggest such comments are quite unacceptable in our debate.

I would think that the members of the opposition, studying such an important measure for thousands of Canadian families, would have found it important to pass this bill quickly, in order to allow the Canadian government to put it into effect and to send, as soon as possible, larger family allowance cheques to families who badly need them and are anxious to see this legislation passed.

I should like, in closing, to point out that several members of the opposition believe that the administrative process we are suggesting will be extremely sophisticated. They say that very competent people will be required to understand and administer this legislation. I am under the impression that they are the only ones who did not quite understand it.

• (2130)

The basic principles of this legislation are quite simple. This program provides for a maximum allowance of $15 for each child under 12 and of $20 for all children from 12 to 17 inclusive for a family whose income does not exceed a strictly defined ceiling. This is quite simple! We want to help the families with the lowest incomes with maximum allowances. The families whose income will exceed this ceiling will be paid partial allowances computed on the basis of a very simple formula also, which the opposition members are trying to make complicated but that surely our citizens will not find hard to understand.

For most families, the family allowances are computed on the basis of the income reported for the calendar year preceding the year for which the allowances are paid. Where there has been a decrease in income and the family suffers also by a substantial decrease in benefits, certain options have been provided in order that the amount of the benefits may remain in keeping with the changes in the financial position. These basic principles are exactly the same which are now applied to the guaranteed income supplement and Canadian senior citizens are quite aware of them. These principles are the very ones we hope to implement for Canadian families.

Therefore, I shall put it this way: I am sure we can have as much confidence in Canadian mothers as in senior citizens who adequately submit their applications for benefits and obtain them promptly.

The arguments of the hon. members of the Opposition are beside the point and groundless. But, over and above all these objections and in spite of the useless extension of the present debate, I am satisfied that the government will pass this bill shortly in the best interests of Canadian families.

[*English*]

Mr. Doug Rowland (Selkirk): Mr. Speaker, I begin my remarks by making a prediction. That prediction is that the next addition to the cabinet will be the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Ouellet).

Some hon. Members: Hear, hear!

Mr. Rowland: He has shown a complete mastery of the most important qualification necessary for one's inclusion in the cabinet, that is, he talked a lot and said very little. He began by charging members of this party with hypocrisy because we posed as being the defenders of the oppressed and the poor. Here is a bill designed to assist the oppressed and the poor, he said, and we are opposed to it.

• (2130)

I should like him to show me how the oppressed and the poor are being helped by being labelled oppressed and poor, which is what a means test does, a test that is required by this bill. If the government wishes to say that there are some people in this country whose incomes are high enough that they do not require the amount that their family allowance represents, then the proper way to get the money back is through the taxation system, not through a means test.

Secondly, he gave us a big story about how the cost of welfare in this country is rising and how the government must master the problem. All this bill does is increase the cost of welfare assistance even more by adding to an already burgeoning bureaucracy. I shall go into that matter in detail in a moment in order to demonstrate how much it will do so. Finally, he indicated that our claim that the fiscal system, plus FISP benefits the rich rather than the poor is incorrect. If he will listen I shall present him with some figures in a few moments which prove conclusively our contention that it is the rich who benefit from this combination of legislation and not the poor.

I can understand the parliamentary secretary's irritation, because by now hon. members on the government side of the House must be thoroughly sick and tired of New Democrat after New Democrat rising in his or her place to criticize the income security plan on the ground that it is abandoning the principle of universality established in the Family Allowances Act of 1945, on the ground that it creates an administrative nightmare and that the benefits payable, even to those who qualify for the maximum, are in no way consistent with today's needs.

I suggest to hon. members opposite that if they wish an end to this repetition they have two options open to them. Firstly, they can advise the Prime Minister (Mr. Trudeau) to call an election and we will fight the issue on the hustings, and then they will have to listen to only one New Democrat in their ridings repeating the same arguments rather than 25 of them in this House. Secondly, they can persuade the Minister of National Health and Welfare (Mr. Munro) to withdraw the bill and have it redrafted by someone other than the character from Dickens, who obviously put the present bill together, so that it is consistent with life in the twentieth century. Otherwise there is no prospect of relief for hon. members opposite.

Let me deal with the three major objections that this party has to FISP, but in reverse order to that in which I originally listed them. First, the benefits provided in the bill, even at their maximum levels of $15 per child under 12 and $20 per child 12 years of age or over, are unequal to today's needs. Let me say at this point that such criticism is entirely justifiable in relation to a scheme which applies a means test before benefits are paid out.

Obviously, even the maximum benefits do not approach the cost of raising a child, but beyond that at rough estimate only approximately 25 per cent of Canadian families will receive the full benefit. Another 42 per cent will receive only partial benefits, and about half of them at a lesser amount than they now receive. Another one-third of our families will lose the family allowance completely. Moreover, the actual impact of FISP on family income cannot legitimately be considered in isolation from recent income tax legislation. What, for example, are the combined effects of the 3 per cent tax cut and FISP on family income?

Let me cite some figures—these are the figures to which I referred earlier in my remarks regarding the speech made by the parliamentary secretary to the minister—which show the net benefit derived in 1972 from FISP and the 3 per cent tax cut by a family with two children under 12, which is a fairly average family. Combining the 3 per cent tax cut and FISP, for a family with an income of $3,000 the total net benefit will be $216. For a family with an income of $4,000 the total net benefit will be $218.19. If the income is $5,000, the total net benefit will be $225.06. With a $6,000 income it drops to $206.19. At the $8,000 level it drops further to $169.47. At $10,000 it drops even further to $146.07. Then it begins to rise, so that at $15,000 the net benefit is $185.55. At $20,000 the benefit is $260.58. At $30,000 it is $400.68. At $50,000 it is $776.25. At $100,000 the net benefit is $1,611.39. That puts the finish to the parliamentary secretary's argument that these measures combined do not benefit the rich at the expense of the poor. Once again the middle income group in this country carries the can.

All of us have received a letter from Mr. William L. Clink of Willowdale, Ontario, denouncing another defect of FISP in relation to income taxation. I think it is worth while reading his letter into the record. I have had the figures mentioned in his letter checked and to the best of my knowledge they are accurate. The letter reads:

Dear Sitting Member:

If Parliament were asked to consider a measure to increase personal taxes, based on a scale increasing with the number of infant dependents in a family, there would be a vigorous outcry from the people, the newspapers, and your fellow members. But this is what is now being proposed in changes to the family assistance act and there is not a whisper of dissent.

Until now, anyway.

As background, may I bring out a few points:

Family assistance was introduced in the 1940s to ensure that young residents would have a minimum level of sustenance for healthy growth. To direct this assistance where it was most needed and to avoid the difficulties associated with a means test, the Income Tax Act was amended to reduce by $250 the deduction allowed for each dependent "qualified for family assistance". This had the effect of giving to the poor, taxing the rich, and the middle income taxpayers merely exchanged money from one pocket to the other. In this arrangement, the taxpayer who broke even was one whose top tax bracket was either 29 per cent or 38 per cent, depending upon whether the individual dependent was eligible for $6 per month or $8 per month assistance.

This arrangement continued well into the 1960s. Then, the provision in terms of family assistance was dropped and one in terms of equivalent age was substituted, still for the difference of $250 in dependent deduction. This move automatically discriminated against families with dependents not qualified for assistance, as with recent immigrants or citizens supporting non-resident families.

[Mr. Rowland.]

This previously satisfactory arrangement, designed to avoid paying assistance to families not requiring it, is to be continued in the new Income Tax Act but its origins are to be forgotten. Now, additional discrimination is to be layered on top.

Eliminating the present payments to families who do not meet a means test without, at the same time, removing the original tax discrimination is, in effect, a new tax. A tax whose amount is proportional to the size of the family supported.

Then follows a sentence which refers to the actual effect on the person writing the letter and I will leave that out of the record. He goes on to say:

I suggest that there are millions of taxpayers who will be similarly affected and who may not realize the import of the proposed changes until they face them at the next tax period. I also suggest that it would behoove members of parliament to carefully scrutinize this proposed new discrimination and set it right before it is discovered by the affected taxpayers.

I suggest that that is good advice to the government. So much for the adequacy for the proposed payments in relation to today's needs. Let me now turn to our second contention, that the plan is an administrative nightmare, even worse potentially than the new unemployment insurance legislation has been. If this legislation is put into effect, not only will the staff required to administer the plan be more than double that required under the Family Allowances Act—and that figure was supplied by the minister in answer to a question placed on the order paper—but also members of parliament will require extra staff to handle the vast increase in the number of problems that will result. We all know what unemployment insurance cases have done to our workload. But these problems will pale into insignificance compared with the problems that will be generated by FISP.

• (2140)

There are seven distinct circumstances when a statement must be made or a form must or should be filled out and sent to the department, depending upon whether you want the family allowance, whether your income has gone up or down substantially, when in the year your income changed, changes in marital status should they affect income, how many children you have and how old they are. Moreover, a Philadelphia lawyer could not understand the clauses of the bill setting out the circumstances in which statements must be made or forms filled out. How in heaven's name is the average citizen expected to cope with the regulations? But cope he must because failure to do so carries penalties.

False or misleading applications for benefits, cashing a cheque to which the person is not entitled, failing to report that benefits should cease, giving away privileged information all mean a person is guilty of an offence and is liable on summary conviction to imprisonment not exceeding six months or a fine up to $1,000. For failing knowingly to report a change in benefit status a person may be fined up to $100. I would advise parents to begin taking evening courses leading to a degree in law if they want to know what this legislation is all about.

The bill is given an even more Orwellian flavour by the fact that it provides that any information given to the minister under the act may be communicated to the Departments of Indian Affairs and Northern Development, Manpower and Immigration, National Revenue, Supply and Services and the Unemployment Insurance

Commission. In addition, the Minister of National Revenue may furnish income information on any individual to the Minister of National Health and Welfare. This is 1984 in spades!

Look at the additional administrative tasks the bill creates. All applications for family allowances must be checked to determine the eligibility of the applicant. In the case of eligible applicants, the benefit payment must be calculated based on family income and age of children. In the case of ineligible applicants, appeals and explanations must be handled. Appeals on the amount of benefit must be handled, statements involving a substantial increase or decrease in income must be processed, with appropriate adjustments to benefits, divorces, separations and marriages of recipients must be reported if family income is affected, and benefits must be adjusted.

In addition, administrative machinery must be set up to recover benefits from ineligible persons. Some of these will be easy to find because, according to the penalties provided, many of them will be in jail. Administrative machinery must be set up to detect frauds involving misrepresentation of income, misrepresentation of the number of children, misrepresentation of the age of children, failure to report income increases and failure to report deaths and marriages. Administrative machinery for liaison with the provinces will have to be established. Surely that list of complications in itself justifies our claim that the plan should be universal and that the tax system is the appropriate way of recovering payments from families which are not in need of assistance.

We believe the social arguments for universality to be even more compelling than this argument which is essentially economic and administrative in nature. Ending the universality of family allowance payments takes them out of the realm of rights to be enjoyed by children and places recipients of benefits under the stigma of receiving welfare. The community is automatically divided into haves and have-nots. Irritations are introduced into relationships between people of approximately equivalent income who receive different amounts in the way of benefits. Cashing FISP cheques at the local drugstore or grocery store will be a sure way for a woman to disclose her family income to all who know her and her family and who see the amount of the cheque.

I could go on and on but I think I have made my point. This bill is totally unacceptable because of its lack of universality, because of the inadequacy of the benefits paid and because of the administrative labyrinth it will establish. I will vote against this bill without any hesitation whatsoever.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have listened with a great deal of interest to previous speakers. Basically, the government has attempted to bring in a piece of legislation which hopefully would benefit families in low income groups. Once again it seems to me the government will probably be creating a situation in which the cure is worse than the disease this bill hopefully will cure. It seems to me the government is in fact not only creating a situation which will proliferate greatly the bureaucracy which is growing so rapidly in this country, but a situation which will necessitate the consumption of a significant portion of the tax dollars of Canadians. The government is also creating problems in respect of the very social fabrics it proposes are desirous of improvement.

It seems obvious that Canadians are going to be judged to some degree by whether they are unfortunate enough, from a social point of view, to require family assistance. Neighbourhoods will be polarized to a certain extent because people who are dealing with their neighbours will know, as has been pointed out, that so-and-so down the street requires family assistance because he is not doing as well as the fellow who does not require it. All in all, this is not a very desirable situation.

The hon. member for Simcoe North (Mr. Rynard) brought out some very interesting points, as did the previous speaker, in suggesting that some of the provisions of this bill are objectionable simply from a privacy point of view. The information which will be assimilated as a result of this measure will come back to haunt the people. It will be bandied about from one department to another. A great deal must be done in the committee to shape this bill and make it equitable. The part that concerns me most and the issue I should like to discuss in some detail this evening concerns the situation where children are in institutions or in care, as it is sometimes called. The provinces which look after such children will be worse off than they are at the present time.

I believe the minister is in receipt of correspondence from the Nova Scotia Family and Child Welfare Association and has received representations from children's aid societies and similar organizations in many provinces. From my own province I have received a great deal of mail about this matter. In particular, I received a letter recently from the Nova Scotia Family and Child Welfare Association which sets out some of their objections to the provisions of this bill. Some of the provisions to which this association objects were set out in correspondence to the minister in April of this year. I should like to read part of the letter for the record so it will be placed before the people of this country. It sums up the situation very well, particularly when governments are considering children who happen to be in care in provinces which are not as affluent as some of the so-called have provinces.

This letter is signed by Kevin Burns, president of the Nova Scotia Family and Child Welfare Association. It reads in part as follows:

Dear Mr. Munro:

I wrote to you on September 1, 1971, after the Nova Scotia Family and Child Welfare Association and member agencies had reviewed the Department of National Health and Welfare white paper, Income Security for Canadians. We were concerned because there was no mention in that document that "children in care" would receive federal income security plan benefits.

This was of very great concern to this organization, as one might expect. The writer continues:

By "children in care" we are referring to wards of children's aid societies and children being maintained in institutions. We were reassured with the introduction of Bill C-264 as it included such children for benefits. We had fears that if "children in care" were excluded from the federal income security plan, there were no guarantees that funds equal to current family allowance benefits or the proposed federal income security plan benefits would be replenished by our provincial government.

• (2150)

As you know, Mr. Speaker, there is a great burden on some of the provinces, including my province, because of shortages of funds for welfare purposes. The writer continues:

> We are again concerned, Mr. Minister, in reading Bill C-170 to learn that only one half of the maximum amounts under federal income security plan will be available to "children in care" because the maintenance of such children is being shared under the Canada Assistance Plan. The end result of this decision will mean, in Nova Scotia at least, that our "children in care" will be little better off than under current family allowances and youth allowance programs, and ironically less well off than many children eligible for federal income security plan benefits in homes of greater affluence.

So, these children who are already disadvantaged and have problems as a result of the situation in which they find themselves will not be helped at all by this so-called enlightened legislation, but will be in fact further disadvantaged. The letter then states:

> Further, with reference to the Canada Assistance Plan, our provincial government has pointed out to you on several occasions that the beneficence of the Canada Assistance Plan is one thing to the citizens of Canada's wealthier provinces, but it is quite another matter to a province such as Nova Scotia.

So, again, this is being perpetrated not only by individuals of the state social strata but by the provinces themselves. The letter continues:

> Under Bill C-170 which you introduced to the House of Commons on March 15, 1972, "children in care" will receive half the maximum amount, but any supplementation to increase the benefits to a more appropriate level will be dependent on the economic situation in a province rather than on individual or family need. This proposal is consistent with neither the principles of family allowance, which has established tradition in Canada nor the Canada Assistance Plan. Further, it does not seem to us to be an effective instrument to help improve the quality of life of children who have endured much suffering and privation.
>
> Current federal income security plan proposals under Bill C-170 for the most part will help improve the economic situation and the quality of life of many needy and low income Canadian families and children. We endorsed the principle in September of last year and we do so again. However, for wards, for children in our special protection program—juvenile delinquency—and others in care the opportunity to improve the quality of their lives a little will be weighed very carefully against the wishes of an already heavily burdened Nova Scotia taxpayer.

In my province this legislation, which at first glance may appear to be enlightened, has very serious drawbacks when measured against the social fabric and particular economic needs of Nova Scotia. Of course, this goes without saying: it will apply to the provinces in the Atlantic region generally because in the Atlantic region Nova Scotia is perhaps one of the better off provinces. The letter continues:

> Unfortunately the lobby for children in Halifax is no stronger than the lobby for children in Ottawa.

So the president of the Nova Scotia Family and Child Welfare Association is very concerned about the implications. He finishes his plea or submission to the minister by saying:

> We urge you and your colleagues to review section 6, subsection (2) of Bill C-170, which limits Federal Income Security Plan benefits to "children in care", and we hope that the appropriate change will be made. We appreciate your consideration of our views.

[Mr. MacKay.]

It seems to me that of all the possible recipients of the beneficence, if you will, of the federal government, surely the pre-eminent people should be the children who are presently disadvantaged. Surely, if this government really cares for the principle of social equity and justice it must reconsider this particular section. If it does not do so, it seems to me the whole concept which prompted it to bring in legislation of this type will be nothing but a hollow mockery.

Again I ask the minister, if he has not already done so, to give every consideration to the submissions made by the Nova Scotia Family and Child Welfare Association and to reply to this group at his earliest possible convenience. I hope that when this bill goes to the committee, the minister will take a very good look at what this group has to say and will also consider some of the other very appropriate suggestions which have been put forward by hon. members who preceded me this evening.

Mr. John Gilbert (Broadview): Mr. Speaker, in speaking on this subject at this late hour I have only very few comments to make. After hearing the submission of the hon. member for Papineau (Mr. Ouellet) I am reminded of the expression the right hon. member for Prince Albert (Mr. Diefenbaker) uses quite often to describe the opposition of others. I believe the expression is "pusillanimous poppycock." This is what my friend from Papineau indulged in tonight. It reminded me of the words of the Prime Minister (Mr. Trudeau) with respect to at least 20 Quebec members having to go. The hon. member, on his performance, was a living example of the statement of the Prime Minister.

I was rather surprised that such a young member who I thought had progressive ideas would stand up and attempt to give an essentially cheap political harangue against the principles we have adopted in criticizing the bill. We have enunciated them so often that I would think they would have penetrated even the mind and heart of the minister himself. But I suppose he has difficulty in stopping smoking and probably in appreciating the principles which we have put forward.

Mr. Deputy Speaker: Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

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

POST OFFICE—REQUEST FOR STATEMENT ON PROGRESS OF CONTRACT NEGOTIATIONS WITH UNIONS—REQUEST FOR RECOGNITION OF AQUATIC SPORTS BY ISSUANCE OF STAMP

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in recent years there has been a decline in administrative efficiency in many government departments, the Unemployment Insurance Commission, and so on, but to no department does this apply more than the Post Office Department. I have been asking a series of questions on

this matter and I hope I can bring the situation into focus in the remarks I make this evening.

There have been increased costs and a radical decline in the postal service. Rural post offices have been closed and the six-day delivery service has been reduced to a five-day service. Charitable organizations have been penalized by exorbitant increases in rates resulting in loss of business. Of course, there has also been the inevitable loss of morale among the employees. This has all meant a loss of revenue and mounting deficits with which this House is familiar.

• (2200)

I have even noticed that there has been a decline in the quality of the postal stamps issued recently. A correspondent has written, asking that I raise this subject in the House of Commons—perhaps this is the best opportunity afforded—suggesting that the Postmaster General (Mr. Côté) review the membership of the stamp design committee and its cost to the taxpayer as a possible method of decreasing the deficit. The amazing thing is that the Postmaster General recognizes this situation exists because in a recent speech in Vancouver he said, among other things, the following:

> The Post Office productivity has fallen by 12.5 per cent since 1965.

He also said:

> —to reduce the deficit new measures were adopted including the closing of rural post offices and the reduction in the delivery week from six days to five.

He said, further, that although these steps reduced the operating costs it is possible that they also led to the deterioration of postal service. I think we all agree that he can say that again. He said further:

> Several steps are being taken to improve productivity including more consultation between employees and management in connection with new working methods, a better working environment and improved social conditions.

I asked a question today concerning the current negotiations with postal unions, because the results of these negotiations do not bear out the words of the Postmaster General to the effect that a great effort is being made to ensure closer consultation between employees and management. The contract expired a month ago. We have had no statement in the House from either the Postmaster General or the President of the Treasury Board (Mr. Drury) as to what progress is being made.

It is interesting that the only public utterance on this matter has come from the president of the Letter Carrier's Union in the wake of the speech that was made in Vancouver when the president, Mr. Roger Décarie, said that the minister had better follow more closely the work of his representatives at the bargaining table than let go with all kinds of statements on matters which could influence to a great extent the content of the next collective agreement.

Obviously, postive leadership is needed in the Post Office Department. The Postmaster General spoke about the problems and now there must be action—and not just the kind of action that was referred to in the speech in which he said:

> If we are unable to resolve this problem, we might have to reintroduce a Saturday delivery should that be the best solution.

There are many probables in that quotation such as "we might have to introduce the Saturay delivery should that be the best solution". Obviously, the long suffering public of Canada has come to the conclusion that action is needed now. We trust that the Postmaster General will seize the initiative in these matters and will take some concerted and positive action with regard to the negotiations going on, so that we might have a contract and also do the things that are necessary, including the restoration of the six-day delivery, in order that the efficiency of the Post Office might be restored to its former level.

Mr. Gerald Richard Cobbe (Parliamentary Secretary to Postmaster General): Mr. Speaker, I assumed that the hon. member for Brandon-Souris (Mr. Dinsdale) would be referring to the question he put on the "late show" with regard to the initiation of postage stamps to recognize our aquatic sports. We received representations in February of this year to recognize aquatic sports by the issuance of a postage stamp. The outstanding record of Canada's athletes in aquatic sports at the international level is very well known, as are the superb facilities of the Pan-Am pool in Winnipeg which hosted the international diving competition on April 8 and 9 this year.

We will certainly give sympathetic consideration to this suggestion when planning future programs. I should note, however, that we review 200 to 300 excellent suggestions each year which must be reduced to ten or twelve for the number of commemorative stamps issued each year. Many must be rejected or deferred for consideration as future programs. It should also be appreciated that about one year is required for design, printing and distribution after a subject is selected and approved.

Our department has consistently given sport good recognition. Hon. members may recall the four outdoor recreation issues of 1957 which, incidentally, portrayed swimming as well as skiing, canoeing and hunting. We have also honoured curling and lacrosse, the Canada summer and winter games, hockey, the Pan-Am games and recently the world figure skating championships in Calgary.

Sport is becoming an increasing part of our culture. All Canadians should become more aware of the values of sport and recreation. We are continuing our study of the possibilities for making contributions through our postage stamp programs.

EXTERNAL AFFAIRS—POSSIBLE OPENING OF MISSIONS IN ZAMBIA AND BARBADOS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, when on March 20 I asked the Secretary of State for External Affairs (Mr. Sharp) when it was intended to open a Canadian diplomatic mission in Zambia and Barbados, I was repeating an inquiry which I have been making for lo these many months.

I have long been troubled and a bit ashamed that the small country of Barbados could establish in our capital a mission with three very fine external affairs officers, but that this the senior overseas member of the Common-

wealth—if I may use that somewhat historic expression—could not reciprocate by opening a mission in Bridgetown. I know, too, that one of the finest diplomats on embassy row today is the High Commissioner for Barbados.

The Barbados High Commission has been in Ottawa since 1967. But apparently austerity has clamped its heavy hand upon the Department of External Affairs and for five years we have not mustered the funds or the interest to open a diplomatic post in the capital of this friendly and charming Caribbean Commonwealth state. The minister in his reply used the expression "the usual financial constraints". But of late we are in an era of big spending, of far-flung largesse. Think of the millions cast about by the Secretary of State (Mr. Pelletier)!

I have long held that our relations with the friendly states of the Commonwealth Caribbean are of tremendous significance to our foreign policy. If Canada cannot carry out a meaningful, useful and effective foreign policy with these our long appreciated and well known neighbours, then our whole external outlook is in question.

Since my inquiry there has been an announcement, not in this House—we rarely expect that courtesy now—to the effect that among new missions to be opened by 1974 Barbados will be included. For this step I must express my approval and not dilate upon the time wasted in strengthening our ties. But must we really wait until 1974? What is the problem? Are we short of staff? Are we so bereft of funds that an area so vital as the Commonwealth Caribbean must be downgraded for another two years?

This government, too, has not hesitated to proclaim its concern for the struggles of the majority in southern Africa, but for long we have demurred from appointing a high commissioner for Zambia, which of all countries must be closest to the struggle being carried on in those African states where the majority has not been given full political rights. In view of our sustained preachments it would have seemed normal and natural that a mission to Zambia be given high priority. But Algeria and several other nations came first. Zambia, too, is on the 1974 list. I suppose we should be thankful that it is on the list at all. Yet, Mr. Speaker, I fear that this is something more than an indication that the austerity squeeze is lingering on at the Department of External Affairs while other departments are embarking upon a glorious free-spending era.

I am troubled lest this is but another indication of the isolationist or withdrawal syndrome which has been a consistent part of the foreign policy of this government. Not long ago I checked the record and found that nearly a dozen countries had embassies here without reciprocal Canadian missions in their countries. I think we should not withdraw from our Commonwealth association. I think we should strengthen our ties with friendly Commonwealth states. I think we should not turn inward but should accept our role on the international stage. I hope that the minister will accelerate the opening of missions in Zambia and Barbados and thus strengthen, reconfirm and underline our strong ties of friendship and good will with the people of these friendly Commonwealth countries.

[Mr. Macquarrie.]

• (2210)

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I assure the hon. member for Hillsborough (Mr. Macquarrie) that his warm expression of feeling towards Commonwealth countries in the Caribbean is shared to an equal degree by the government. I think the hon. member may have misread the communique of April 10 in which the opening of these missions was announced. Six new posts were announced at that time, being at Barbados, Hungary, Korea, Morocco and Zambia, where there will be either high commissions or embassies and, as well, at Atlanta, Georgia, where there will be a consulate general. The press release said:

> The posts should all be in full operation in 1974.

That is not meant to suggest that the opening of any of these six posts is to be delayed until that date. They will be opened as soon as reasonable accommodation can be found. This will be easy in some of the countries involved. In some where the housing shortage is accute, there may be delay and that delay may extend until 1974. The delay will be as short as reasonable in all cases, Mr. Speaker. I hope that Barbados and Zambia will be among the posts which will be first opened.

TRANSPORT—REPLACEMENT OF CANADIAN BY FOREIGN VESSEL—REPORTED NEGOTIATIONS BY CANADIAN NATIONAL RAILWAYS FOR PURCHASE OF VESSELS IN SWEDEN

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, a few weeks ago one of those marine legal miracles occurred in which a German built freighter at or near Halifax took on Singapore registry, this action having dire effects on the few vessels now remaining under the Canadian flag, under Canadian ownership and sailing Canadian waters between Halifax and St. John's, Newfoundland. The vessel I refer to is the *Travetal*, manned by German officers and a Spanish crew.

I make nothing of that except to welcome those gentlemen to Canadian waters. I regret that the presence of that ship in Canadian waters means that two Canadian vessels, one *Federal Hudson*, and the other *O.K. Service XI*, will probably have to pack up their careers. Some attempts are being made to continue those Canadian vessels in operation. Let us hope they succeed. However, hope is somewhat different from government policy that will ensure that these efforts succeed.

On April 18 I directed the following question to the Minister of Transport (Mr. Jamieson) in this chamber:

> Would the minister investigate the recent waiver by customs which resulted in a foreign vessel, *Travetal*, and its crew, replacing the Canadian vessel, *Federal Hudson*, and its Canadian crew on the east coast. Would he also look into the circumstances in which Canadian National is reportedly negotiating in Sweden for two vessels for the Newfoundland trade?

It was agreed between the minister and myself that the position would be made clear this Tuesday evening, and I see that the parliamentary secretary to the minister is here with information. I am not much concerned about the reported dickering of Canadian National in Sweden. That may have been a rumour. If it is, I am sorry that I

helped to pass it along or give it some kind of currency. What I am concerned about is the fact that Canadian officers and Canadian seamen will lose their jobs with the laying up of two Canadian vessels.

The Canadian Merchant Service Guild and the Seafarers International Union have both lodged letters of protest over the customs arrangement concerning *Travetal*. The arrangement, technically, is not a waiver of customs but comes, rather, under the Canada Shipping Act and the Financial Administration Act. This vessel will pay at the rate of one one-hundred-and-twentieth for every month she is allowed to operate in Canada, and she will be allowed to operate here for two months. I am not sure whether at the end of that time she may not undergo some further legal metamorphosis and be allowed to operate here for a longer period. The point is that Canadian ships have just about lost any opportunity for work and Canadian masters, officers and crews not laid off yet face a pretty bleak outlook.

The government does have the Darling report, a study on this whole matter. I pursued this matter with the Minister of National Revenue (Mr. Gray) when he appeared before the finance committee last Thursday. He seemed sympathetic toward Canadian shipowners and crews. I pursued it further tonight when members of the Canadian Transport Commission appeared before the transport committee. You have to be a nomad who knows all the weigh stations to make a point: you must make one part of your point before one committee of the House and another part before another committee. Anyway, the cry of "marine rape" has been raised. I raised it on many occasions in as many places as I could. I now look forward to whatever reassurance the parliamentary secretary can give in a very sad situation.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member for Halifax-East Hants (Mr. McCleave) in his question to the Minister of Transport (Mr. Jamieson) last Tuesday raised two distinct and separate matters involving water transport from the mainland to Newfoundland.

I will deal first with the matter of the reported negotiations for vessels in Europe. The short answer to that question is no. There are no CN officials in Sweden negotiating for vessels for the Newfoundland trade at the present time. What the hon. member may have had in mind is that in January an official of CN and another of the Department of Transport went to Europe to assess an older ferry vessel which was steam driven and capable of carrying a limited number of rail cars. However, as it turned out this vessel was not suitable for operation in the Gulf.

The other aspect of the question raised by the hon. member concerned the use of the vessel *Travetal* and the waiver granted to this vessel by the Department of National Revenue. My understanding of this matter is that CN has neither bought nor chartered the *Travetal* directly. In order to fulfil cargo commitments with the CNR, Newfoundland-Canada Steamships Limited arranged to charter the *Travetal* through Trident Steamships Limited of Halifax. They have a specific requirement for a roll-on roll-off vessel, and the *Travetal* has this facility.

The waiver in question is for a period extending to May 8 and it is for the purpose of transporting automobiles and cargo between Halifax and St. John's. The Canadian laws which are being applied are found under the provisions of section 665 of the Canada Shipping Act and section 17 of the Financial Administration Act.

The hon. member has raised a number of points which I will not have sufficient time to cover this evening, but I have noted them and will bring them to the attention of the Minister of Transport. Perhaps a written reply to the hon. member on these items would be helpful as well.

Motion agreed to and the House adjourned at 10:21 p.m.

HOUSE OF COMMONS

Wednesday, April 26, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

VETERANS AFFAIRS

First report of Standing Committee on Veterans Affairs—Mr. Foster.

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

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INDUSTRY

COAL MINING, NOVA SCOTIA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I wish to move under Standing Order 43 a motion of urgent importance with regard to the fate of coal mining communities in the province of Nova Scotia, especially those depending upon independent coal mining operations.

In 1967 an agreement was reached between the federal government and the government of the province of Nova Scotia which resulted in the federal government assuming responsibility for the former Dosco mine operations on the understanding that the government of the province of Nova Scotia would assume full responsibility for independent coal mining operations in that province. As a result, the federal government established a Crown corporation known as Devco and the provincial government assumed obligations, including the payment of subventions or a substitute for subventions, for the coal produced by independent coal mine operations. At the present time in Nova Scotia—

Mr. Speaker: Order, please. The hon. member knows that under the provisions of Standing Order 43 he should not make a speech in support of the motion. Under the terms of Standing Order 43 hon. members are entitled to make a motion without notice, but this can only be done in very exceptional circumstances. The hon. member should indicate as quickly as possible the motion he proposes for consideration of the House.

Mr. Coates: I felt it was only proper to give members an opportunity to have some understanding of the agreement I would like to see referred to the Standing Committee on Regional Development. The problem is related to the fact that the coal mining operations in a number of communities in Nova Scotia that are the responsibility of the provincial government are now being threatened. I believe that the original agreement between the federal government and the province of Nova Scotia is now being breached.

Mr. Speaker: Order, please. I suggest to the hon. member that he should indicate what his motion is. If all hon. members are allowed to make three or four minute speeches in support of proposed motions under Standing Order 43, I suggest that would lead to difficulties. I would hope we can count on the co-operation of hon. members to indicate as quickly as possible any motion they may have in mind.

Mr. Coates: Mr. Speaker, I move, seconded by the hon. member for Central Nova (Mr. MacKay):

That the agreement between the federal government and the province of Nova Scotia be referred to the Standing Committee on Regional Development.

• (1410)

Mr. Speaker: The House has heard the motion proposed by the hon. member for Cumberland-Colchester North. This motion, moved under the terms of Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

AUTOMOBILES—HIGHER CANADIAN PRICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise to move a motion under the terms of Standing Order 43. It arises out of the revelation today that North American auto producers are reaping an excess profit of $150 million at the expense of the average Canadian as a result of their charging approximately $300 more for a Canadian-made car in Canada than they do for an identical car in the United States. Such prices are not only—

Mr. Speaker: Order. I have to bring to the attention of the hon. member the considerations I brought to the attention of the hon. member for Cumberland-Colchester North. There is no provision at all in the Standing Order or in the practice of the House that allows hon. members to make speeches in support of a motion under Standing Order 43. To do so is entirely against the spirit of that rule. Hon. members should indicate as quickly as possible, without speeches, what the motion is that is proposed under the terms of the Standing Order.

Automobile Prices

Mr. Broadbent: I heed your admonition, Mr. Speaker. I ask leave to move, seconded by my hon. friend from Brant (Mr. Blackburn):

That this House urges the Prime Minister to summon to Ottawa next week the heads of the North American automotive companies in Canada with a view to instructing them that within a three-month period factory list prices for their products in Canada should be on the average at par with the prices for the identical product sold in the United States.

Some hon. Members: Hear, hear!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put at this time.

AUTOMOBILES—POSSIBLE UNLAWFUL PRICE PRACTICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, pursuant to Standing Order 43 I move, seconded by the hon. member for Wellington (Mr. Hales):

That this House, holding the opinion that offences are being committed under Part V of the Combines Investigation Act, orders the Minister of Consumer and Corporate Affairs forthwith to cause inquiry to be made into the following question: whether all four automobile manufacturers in Canada have committed and are following unlawful trade practices by discriminating against Canadian consumers by charging Canadian dealers what appears to be about 10 per cent more than they charge United States dealers for made-in-Canada cars.

Mr. Speaker: This motion is also proposed under the terms of Standing Order 43. I have to inquire whether there is unanimous consent.

Some hon. Members: Agreed.

An hon. Member: No.

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

* * *

EXTERNAL AFFAIRS

PROPOSED NUCLEAR TEST BY FRANCE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I ask leave, seconded by the hon. member for Kootenay West (Mr. Harding), to move a motion under Standing Order 43 concerning the proposed French nuclear tests. I move:

That this House is of the opinion that inasmuch as Canadian government policy is opposed to further nuclear proliferation by all nuclear powers; and inasmuch as a motion was passed by this House on October 15, 1971, protesting the United States underground test at Amchitka,

Therefore be it resolved that this House of Commons express its unequivocal objection to the proposed atmospheric nuclear test scheduled this summer by the government of France over the South Pacific and that we communicate this motion to the President of France forthwith.

[Mr. Speaker.]

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

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

ADULT OCCUPATIONAL TRAINING ACT

AMENDMENT RESPECTING ELIGIBILITY REQUIREMENTS TO RECEIVE ALLOWANCES, AUTHORIZATION OF CONTRACTS WITH EMPLOYERS

Hon. Bryce Mackasey (Minister of Manpower and Immigration) moved for leave to introduce Bill C-195, to amend the Adult Occupational Training Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

LOCAL INITIATIVES PROGRAM

Question No. 63—**Mr. Orlikow:**

1. How much money has been allocated under the federal government's Local Initiatives Program to (a) municipalities (b) local groups, etc. in each province?

2. What criteria were used in the provincial allocations for both municipalities and local groups, etc.?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): 1. As at March 17, 1972, the following sums had been allocated to municipalities and local groups in each province under the Local Initiatives Program:

	Private $	Municipal $
Newfoundland	6,603,143	3,312,039
Nova Scotia	7,775,356	2,620,640
Prince Edward Island	1,524,687	522,707
New Brunswick	6,654,816	2,576,686
Quebec	39,008,426	24,069,219
Ontario	14,277,652	7,729,497
Manitoba	3,428,396	1,937,847
Saskatchewan	2,557,885	1,409,231
Alberta	4,240,750	3,714,612
Northwest Territories	602,839	442,131
British Columbia	9,171,991	4,328,213
Yukon Territory	312,269	115,550

2. The allocation was made proportionate to unemployment in the provinces to the base rate of 4.5 percent unemployment and adjusted for out migration and native

population that would not otherwise be reflected in unemployment figures.

ATLANTIC REGION FREIGHT ASSISTANCE ACT

Question No. 123—**Mr. Muir:**

How much of the subsidy paid to highway carriers under (a) The Atlantic Region Freight Assistance Act on shipments from select territory to points outside select territory (b) the Special Regulations issued under the Atlantic Region Freight Assistance Act and approved by Order-in-Council P.C. 1970-2015 dated November 17, 1970, has been paid on shipments having their origin in that part of the Province of Quebec included in the definition of select territory as found in the Atlantic Region Freight Assistance Act?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission reports as follows: The information is not available in the form requested and the Commission does not have the necessary staff to undertake the large amount of work which would be required to prepare the information in the said form.

SUBSIDIES TO HIGHWAY CARRIERS ON WESTBOUND MOVEMENTS FROM SELECT TERRITORY, MARITIME PROVINCES

Question No. 124—**Mr. Muir:**

In accordance with the recommendations of the report of May 6, 1970, of the Federal-Provincial Committee on Atlantic Transportation, has the government taken any steps to provide for the payment of subsidies on westbound movements out of select territory to highway carriers on the same basis as they are calculated and provided to the railways, thereby bringing the payments to the highway carriers to the same level per unit of traffic as that now paid to the railways?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The government has not taken steps to provide for the payment of subsidies on westbound movements out of the select territory to highway carriers on the same basis as they are calculated and provided to the railways.

SUBSIDY ON USED HOUSEHOLD GOODS CARRIED BY HIGHWAY TRANSPORT FROM SELECT TERRITORY, MARITIME PROVINCES

Question No. 125—**Mr. Muir:**

1. In accordance with the recommendation of the report of May 6, 1970, of the Federal-Provincial Committee on Atlantic Transportation, has the government taken any action to eliminate the subsidy now being paid on used household goods carried by highway transport from select territory to points outside select territory?

2. How much money has been paid under the Atlantic Region Freight Assistance Act to highway carriers for the movement of used household goods from the select territory to points outside of select territory since the implementation of the subsidy provision of the Atlantic Region Freight Assistance Act?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission reports as follows: 1. No.

2. $558,726.00 for the period July 9, 1969 to March 1, 1972.

Questions

ALCOHOLISM IN CANADA

Question No. 170—**Mr. Mather:**

1. What is the estimated number of alcoholics in Canada?

2. On what definition of an alcoholic is this estimate based?

3. What is the alcoholic rate among native Canadian peoples?

4. What is the relationship between alcoholism and homicides?

5. What is the relationship between alcoholism and traffic death?

6. What is the estimated number of years which alcoholism can cut off an imbiber's life?

7. What is the estimated cost to the Canadian economy of alcoholism?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Health and Welfare and Transport as follows:
1. It is estimated that over 600,000 Canadians consume a hazardous amount of alcohol, and that of this number one half may be termed alcoholics.

2. The level of hazard referred to above is consumption of 100 millilitres of absolute alcohol daily, and that for the alcoholic 150 millilitres.

3. No precise data are available to answer this question.

4. It seems, from data available, that the incidence of homicides among alcoholics is higher than for the general population.

5. Data obtained by the Department of Transport indicates that drivers who have a drinking problem are 20 times more likely to be killed in a traffic accident than drivers who are not problem drinkers.

6. Estimates vary but range between eight and twelve years.

7. No reliable data is available to answer this question. The estimated cost would include: lost of productive worktime, health and welfare costs, property damages.

BORDEN-TORMENTINE FERRY SERVICE—INSTALLATION OF ADDITIONAL FACILITIES ON *VACATIONLAND* AND *HOLIDAY ISLAND* FERRIES

Question No. 206—**Mr. MacLean:**

1. Has the Department of Transport been in consultation with the Government of Prince Edward Island regarding the inadequacy of the stairs on the *Vacationland* and the *Holiday Island*, the two new car ferries operating on the Borden-Tormentine Ferry service and, if so, with what result?

2. Is it the intention of the Department of Transport to provide escalators or elevators on these ships, or to make some other modifications to reduce the amount of stair-climbing that passengers will have to do before the commencement of the 1972 season?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. Yes. (note answer to number 2).

2. The investigation by the Department of Transport into the question of the use of the stairs revealed that some people, primarily the elderly and handicapped passengers, found it difficult to climb the stairs to the upper deck where washroom facilities are located. Since major alterations would be required to change the design of the ship superstructure to accommodate escalators or elevators, a decision was made to locate additional washroom facilities on the lower car deck. These new facilities are presently being installed and they will be ready in time for

the 1972 summer season. The situation will be monitored during the summer and if further problems occur appropriate action will be taken wherever possible.

CONSTRUCTION OF COAL SLURRY PIPELINE FROM EAST KOOTENAYS TO ROBERTS BANK, B.C.

Question No. 331—**Mr. Stewart (Okanagan-Kootenay):**

Is the government currently involved in discussions on the proposed construction of a coal slurry pipeline from the East Kootenays to Roberts Bank, British Columbia and, if so, who are the other parties presently involved in such discussions?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Transportation Development Agency advise as follows: The feasibility of the coal slurry pipeline referred to is being investigated by Shelpac Ltd. (slurry pipeline consultants) for Canadian Pacific Ltd. The proposed pipeline will extend from the East Kootenays to Roberts Bank, British Columbia and thus it is strictly within the jurisdiction of the British Columbia government. No official discussions with the federal government on the proposed pipeline construction have been made or are underway.

NATIONAL REVENUE—DISPOSITION OF OBJECTIONS AND APPEALS

Question No. 336—**Mr. Stewart (Okanagan-Kootenay):**

What was the disposition of objections and appeals arising from assessments made by (a) the Penticton District Office of the Department of National Revenue (Taxation Division) (b) the other District Offices located in the Province of British Columbia (c) all of the 28 District Offices in Canada, over the past five years?

Hon. Herb Gray (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned:

Offices and fiscal years	Withdrawn or dismissed		Allowed in part		Allowed in full	
	No.	%	No.	%	No.	%
Penticton						
1972	40	44	33	36	18	20
1971	65	50	37	28	31	22
1970	50	32	70	45	36	23
1969	49	43	35	31	29	26
1968	27	44	21	34	14	22
Total	231	42	196	35	128	23
Other B.C. Offices						
1972	258	41	213	33	167	26
1971	295	44	210	31	170	25
1970	304	44	194	28	198	28
1969	204	35	184	32	187	33
1968	203	40	128	25	182	35
Total	1,264	41	929	30	904	29
All Canada Offices						
1972	3,230	40	2,839	35	2,111	25
1971	3,744	39	3,295	34	2,587	27
1970	3,144	36	2,722	31	2,826	33
1969	2,705	35	2,345	31	2,574	34
1968	2,415	35	2,044	30	2,351	35
Total	15,238	37	13,245	33	12,449	30

[Mr. Duquet.]

MOTOR VEHICLE SAFETY ACT—COMPLIANCE LABEL REQUIREMENTS

Question No. 344—**Mr. MacDonald (Egmont):**

With regard to regulations under the Motor Vehicle Safety Act requiring all vehicles manufactured in Canada or imported into Canada subsequent to January 1, 1971, to carry a label specifying month and year of manufacture (a) what methods are being taken to enforce these regulations (b) will penalties be invoked for failure to comply and, if so, what are they (c) have any prosecutions been initiated to this date?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): (a) The Department of Transport ensures compliance with the compliance label requirements of the Motor Vehicle Safety Regulations, by obtaining a signed declaration from importers relating to each vehicle, by auditing manufacturers' and importers' records, by inspecting vehicles at Customs Ports of Entry or in possession of importers, by investigating inquiries from the public and by inspecting of manufacturers' operations in Canada. (b) Violators of the Motor Vehicle Safety Act are liable to a fine in summary conviction of $1,000 to $10,000 or upon conviction by indictment of $5,000 to $200,000 depending whether he is an individual or a corporation. (c) No.

PEI NATIONAL PARK—NUMBER OF VISITORS TO COVEHEAD HARBOUR

Question No. 362—**Mr. Macquarrie:**

1. For the past 20 years, has the Department of Indian Affairs and Northern Development any estimate of the number of visitors to Covehead Harbour in the Prince Edward Island National Park?

2. For the same period, what amounts have been expended by the government in improving and extending the harbour facilities at this port?

3. What is the estimated expenditure for this port in the forthcoming fiscal year?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): The Departments of Indian Affairs and Northern Development and Public Works advise as follows:

1.

Year	Visitors	Year	Visitors
1950-51	87,851	1960-61	412,463
1951-52	107,981	1961-62	775,583
1952-53	122,290	1962-63	1,009,021
1953-54	146,827	1963-64	1,019,104
1954-55	158,984	1964-65	1,112,536
1955-56	172,884	1965-66	967,372
1956-57	181,692	1966-67	1,130,773
1957-58	200,748	1967-68	769,970
1958-59	206,245	1968-69	1,345,799
1959-60	224,781	1969-70	1,288,350

These figures represent the number of visitors to Prince Edward Island National Park only. Visitors figures for specific areas of the Park are not available.

2. $73,029.13.

3. $1,500 for maintenance.

INSPECTION OF MECHANICAL FITNESS OF INTERPROVINCIAL TRANSPORTS

Question No. 403—**Mr. Mather:**

Are checks by federal inspectors carried out on commercial interprovincial trucks and buses in highway use and, if so (a) what percentage of checked vehicles have been found to have mechanical deficiencies (b) are such vehicles ordered out of service until the deficiencies are corrected?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Federal government inspectors do not check the mechanical condition of commercial trucks and buses in interprovincial operations as regulation of the mechanical fitness of such vehicles is a provincial responsibility.

MOTOR VEHICLE SAFETY ACT—SAFETY STANDARDS APPLICABLE TO TIRES

Question No. 405—**Mr. Mather:**

In line with motor vehicle safety standards, are tire dealers required to complete a written record of the purchaser's name and address and the tire identification numbers in the sale of new or retreaded auto tires?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The federal Motor Vehicle Safety Regulations contain safety standards applicable to the tires provided with new motor vehicles manufactured in or imported into Canada. The provincial governments issue and enforce standards for replacement tires but have not as yet established any requirement that dealers maintain records of tire purchases.

CONSTRUCTION COST OF DAM ON SASKATCHEWAN RIVER

Question No. 419—**Mr. Lambert (Bellechasse):**

1. What were the construction costs of the dam on the Saskatchewan River?

2. Was the Bank of Canada responsible for the financing of this project and, if so (a) what amount was loaned (b) at what rate of interest (c) for how many years (d) what are the payment terms?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Regional Economic Expansion and Finance as follows: 1. For the Government of Canada, the construction costs for the South Saskatchewan River Dam, incurred between April 1, 1958 and March 31, 1972, totalled $91,006,828.

2. The Bank of Canada was not involved in the financing of the dam on the Saskatchewan River.

ISSUANCE OF COMMEMORATIVE STAMP ON 100th ANNIVERSARY OF DEATH OF JOSEPH HOWE

Question No. 438—**Mr. Dinsdale:**

Is the Post Office Department planning to issue a commemorative stamp next year on the centenary of the death of Joseph Howe, recognizing the contribution of this distinguished Nova Scotia statesman to freedom of the press and responsible government?

Hon. Jean-Pierre Côté (Postmaster General): The 100th anniversary of the death of Joseph Howe is among those subjects being reviewed as possible themes for Canada Post Office commemorative stamps in 1973.

NORTHWEST TERRITORIES INCOME TAX AND SOURCE DEDUCTIONS

Question No. 453—**Mr. Godin:**

1. What percentage of his income does a resident of the Northwest Territories, who works in the Territories, pay in Income Tax?

2. What percentage of his income does a resident of Quebec, who works in the Northwest Territories, have deducted at the source for Income Tax?

Hon. Herb Gray (Minister of National Revenue): In so far as the Department of National Revenue, Taxation, is concerned: 1. A person resident in the Northwest Territories on December 31, 1971, calculates his tax in the same manner as other residents of Canada, except that he is not liable for provincial tax and not entitled to the abatement for provincial taxes, because he is not a resident in any of the provinces at the end of the year. The actual percentage of tax paid is contingent on the amount of the person's taxable income.

2. It is not possible to determine the percentage of income to be deducted for income tax purposes without having the following information: (a) Employee's rate of pay; (b) Employee's personal exemption, and (c) Whether the employee is required to report for work at an establishment of the employer in the Northwest Territories.

LOCAL INITIATIVES PROGRAM

Question No. 484—**Mr. Burton:**

1. What was the initial allocation of funds under the Local Initiatives Program for each province at the time that the program was announced?

2. (a) What number of applications were received from each province (b) what was the total estimated cost to the government of assistance requested?

3. What number of applications were approved from each province?

4. What is the estimated federal cost of the Local Initiatives Program by province?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): 1. No allocation of Local Initiatives Program funds was made at the time the program was announced.

2. (a) Newfoundland, 1142; Nova Scotia, 1009; Prince Edward Island, 258; New Brunswick, 712; Quebec, 5215; Ontario, 2238; Manitoba, 594; Saskatchewan, 493; Alberta, 607; Northwest Territories, 109; British Columbia, 1323; Yukon Territory, 36. (b) $482,747,000.

3. Newfoundland, 400; Nova Scotia, 430; Prince Edward Island, 114; New Brunswick, 385; Quebec, 1979; Ontario, 1007; Manitoba, 201; Saskatchewan, 174; Alberta, 310; Northwest Territories, 35; British Columbia, 642; Yukon Territory, 22.

4. Newfoundland, $9,900,113; Nova Scotia, $10,395,996; Prince Edward Island, $2,047,394; New Brunswick, $9,173,511; Quebec, $62,698,549; Ontario, $22,175,018; Manitoba, $5,365,159; Saskatchewan, $4,029,018; Alberta, $8,027,-

544; Northwest Territories, $1,039,483; British Columbia, $13,670, 599; Yukon Territory, $428,058.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

FEDERAL EXPENDITURES ON PORTS

Question No. 253—**Mr. Horner:**

How much money has the government spent in each of the past ten years on the ports of (a) Halifax (b) Quebec (c) Montreal (d) Toronto (e) Prince Rupert (f) Vancouver (g) Saint John (h) Churchill?

Return tabled.

DEPARTMENT OF LABOUR—NUMBER OF CONTRACTS AWARDED FOR PUBLICITY

Question No. 448—**Mr. Nystrom:**

1. Were any contracts awarded by the Department of Labour (including the Unemployment Insurance Commission) for publicity and/or information in the fiscal year 1970-71 and, if so (a) what were the names and addresses of firms which received such contracts (b) what was the amount of each such contract (c) what was the specific purpose of each such contract?

2. Do the main and supplementary estimates of the Department for the fiscal year 1971-72 provide an amount to be spent on publicity and/or information and, if so (a) what amount is provided (b) what amounts have been encumbered or spent to date (c) what are the names and addresses of the private firms which have entered into such contracts (d) what is the amount of money involved in each such contract (e) what is the specific purpose of each such contract?

Return tabled.

Mr. Diefenbaker: Mr. Speaker, I rise on a question of privilege arising out of the failure of the government to answer question No. 475, which asks:

1. Who are the members of the Special Planning and Research group attached to the Solicitor General's department?

2. What is the authority or area of responsibility of the said group?

3. In what manner is the choice made of the members of the said group?

4. Who is the head or senior member thereof?

That question has been on the order paper since March 29. This House has a right to know who these people are in this special corps. Are they incognitos or inconnus? There should be no difficulty whatever in answering that question. The people of Canada want to know who are the personnel of the Solicitor General's "security selects anonymous".

Mr. Hogarth: Mr. Speaker, I will draw the right hon. member's suggestion to the Solicitor General's attention.

Mr. Burton: Mr. Speaker, I would ask the parliamentary secretary to look into questions Nos. 197, 198 and 199 which have been on the order paper since February 24 and which were on the order paper for some time in the last session.

Mr. Hogarth: I will draw the appropriate minister's attention to the hon. member's remarks.

[Mr. Mackasey.]

MOTIONS FOR PAPERS

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): Mr. Speaker, would you be so kind as to call notices of motions Nos. 24, 25, 26, 35 and 41.

FEASIBILITY STUDY ON MARGINAL DAIRY FARMING

Motion No. 24—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the feasibility study on marginal dairy farming undertaken for the Department of Regional Economic Expansion in the fiscal year 1967-68, as mentioned in answer to Question Number 1,323 of the 1st Session of this Parliament excluding confidential references to individuals or individual firms.

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the study requested was research undertaken for use by officials in programs planning and was intended solely for internal use. I would therefore request the hon. member to withdraw his motion.

Mr. Skoberg: Mr. Speaker, this motion has to do with regional economic expansion. I feel that the people of Canada are entitled to know what type of programs the government has in mind.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

• 1420

COPY OF ALL CORRESPONDENCE BETWEEN MINISTER OF TRANSPORT AND CNR RELATING TO CNR PENSION PLAN

Motion No. 25—**Mr. Skoberg:**

That an Order of the House do issue for a copy of all correspondence between the Minister of Transport and the CNR pertaining to recommendations of the Standing Committee on Transport and Communications concerning the CNR Pension Plan.

Mr.Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the correspondence which the hon. member requests in this motion pertains to the internal operation of a Crown corporation and is considered privileged and confidential. The hon. member may therefore wish to withdraw his motion.

Mr. Skoberg: Mr. Speaker, the CNR pension plan happens to be pretty important to many people in this country. I call for the question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF STUDY BY DEPARTMENT OF REGIONAL ECONOMIC EXPANSION REGARDING EFFECTS OF INCREASE IN FREIGHT RATES

Motion No. 26—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the study undertaken in the Department of Regional Economic Expansion regarding the effects of increase in freight rates on regional economic expansion as mentioned by the Minister of Regional Eco-

nomic Expansion and reported in *Hansard* of March 18, 1970 at page 5184.

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the department studies the impact of various federal programs as part of a continuing appraisal of slow growth regions. However, this is designed to assist in drafting policies and programs rather than to produce formal reports. Therefore, since there is no report which could be tabled I would ask the hon. member to withdraw his motion.

Mr. Skoberg: Agreed, Mr. Speaker.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

COPY OF CORRESPONDENCE DATED SEPTEMBER 17, 1970 BETWEEN CNR AND MINISTER OF TRANSPORT RELATING TO CNR PENSION PLAN

Motion No. 35—**Mr. Skoberg:**

That an Order of the House do issue for a copy of the correspondence, dated September 17, 1970, between the President of the CNR and the Minister of Transport outlining the company's position on the recommendation of the Standing Committee on Transport and Communications concerning the CNR Pension Plan.

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this question is of the same type as the previous one. As it concerns again a matter of internal operation, I would ask the hon. member to withdraw his motion.

[*English*]

Mr. Skoberg: Mr. Speaker, we certainly cannot withdraw this one. I call for the question.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

COPY OF REPORT OF COMMITTEE CREATED TO DEAL WITH PROGRAM TO HELP SMALL FARMS IN CANADA

Motion No. 41—**Mr. MacDonald (Egmont):**

That an Order of the House do issue for a copy of the final report of the Technical Committee created by the Minister of Agriculture to deal with the development of a national program to help the small farms in Canada as well as any documents, letters or communications related to the Technical Committee.

Mr. Baldwin: I move the motion for the hon. member.

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): Mr. Speaker, the technical committee referred to by the hon. member was established by the 11 ministers of agriculture and any reports from this committee would be made to the ministers and considered confidential documents. I would therefore request that the hon. member withdraw the motion.

Mr. Baldwin: Mr. Speaker, in view of the fact that this affects the small farmers in Canada, in whom this party is very interested, I would ask that the motion be transferred for debate.

Mr. Speaker: Transferred for debate.

[*Translation*]

Mr. Hogarth: I ask, Mr. Speaker, that the other notices of motions be allowed to stand.

[*English*]

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

Mr. Burton: Mr. Speaker, I would ask again that the parliamentary secretary make inquiries about notices of motions Nos. 16 and 18, both in my name. They were placed on the order paper on February 24, over two months ago. Surely the government should be able to give some indication of its response by now, particularly since most of its responses are negative.

Mr. Hogarth: Mr. Speaker, I will pass on the hon. member's remarks to the appropriate minister.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

GOVERNMENT GOAL FOR REAL GROWTH IN 1972—NEW INITIATIVES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the right hon. Prime Minister arising out of the rather sleek economic review tabled by the Minister of Finance yesterday in which it is stated that "it is expected that real growth will continue to surpass its trend rate through 1972." I am not asking the Prime Minister to interpret what this jargon means, but I would ask him to tell the House what is the specific goal of the government during 1972 in respect of real economic growth?

Right Hon. P. E. Trudeau (Prime Minister): I will be pleased to take notice of this question on behalf of the minister, Mr. Speaker.

Mr. Stanfield: I accept that, of course, Mr. Speaker, but I am rather surprised the Prime Minister does not know what that objective is. In view of the position taken by the Economic Council of Canada that the rate or real growth attained even during the last six months of 1971, which seems to have fallen off, would mean that the rate of unemployment would not fall even to 4 per cent in three years, I would ask the Prime Minister whether he intends to take any new initiatives to spur on the real growth of the economy with a view to reducing the rate of unemployment within some reasonable time?

Mr. Trudeau: Mr. Speaker, there is nothing I can announce today, but the Leader of the Opposition might want to take note of the fact that the rate of real growth in

this country has been higher than predicted by the Economic Council.

Mr. Stanfield: In view of the very complacent answer the Prime Minister has given, is the government prepared to accept the continuing high rate of unemployment at existing levels?

Mr. Trudeau: No, Mr. Speaker.

Mr. Stanfield: When is the Prime Minister going to tell us what he will do about it, Mr. Speaker?

* * *

INDUSTRY

AUTOMOBILES—HIGHER CANADIAN PRICES—SUGGESTED MEETING BETWEEN PRIME MINISTER AND COMPANY HEADS TO EFFECT REDUCTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. In view of the fact North American automotive producers are making excess profits in Canada of about $150 million as a result of charging Canadians on the average $300 more for a car made in Canada than they do for the identical product in the United States, would the Prime Minister consider requesting that the heads of the North American auto companies in Canada meet with him next week with a view to effecting a meaningful reduction in prices to approximate or full parity with prices in the United States within a three-month period?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be very happy to draw this representation to the attention of the minister.

Mr. Broadbent: In view of the fact the Prime Minister indicated that no action is viewed seriously in this direction by his government, would he consider announcing or having the Minister of Industry, Trade and Commerce announce to the House within the next few days measures the government intends to take that would effectively reduce automotive prices and subsequently result in an increase in employment in that industry because the price of cars would then become closer to the price of foreign imports and thus lead to the creation of more jobs in this country? Does he intend to move in this direction at all?

Mr. Trudeau: Mr. Speaker, the premise of the question is false but as to the willingness of the minister to discuss this problem, he has constantly indicated to the House his willingness to do so.

* * *

ELECTIONS

INQUIRY AS TO DATE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a supplementary to the original question. When is the Prime Minister going to take the one major initiative which will eventually result in restoring confidence in this country?

[*Translation*]

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Bellechasse.

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

[*English*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be prepared to call—

[*Translation*]

Mr. Speaker: Order, please. The hon. member for Bellechasse.

* * *

AGRICULTURE

REQUEST THAT GOVERNMENT INFORM HOG PRODUCERS RESPECTING SHARING OF SUBSIDY WITH COMPANIES

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

In view of the announcement made yesterday by the Minister of Agriculture to the effect that some companies would want a share of the subsidy paid to pork producers, what steps does the department intend to take to advise producers so that this truly deplorable situation might be avoided?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I thank the hon. member for putting the question. It gives us one more opportunity to advise farmers of the situation. The statement of the Minister of Agriculture having been made publicly, the newspapers will surely by now have reported it, so that I feel the pork producers of Canada and Quebec will be informed of the situation and will take steps accordingly.

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

Considering that some producers do not regularly read newspapers, has the Price Stabilization Board taken steps to advise producers, by sending a publication to them or to slaughterhouses?

Mr. Lessard (Lac-Saint-Jean): Mr. Speaker, I will take that question as notice. I will check and inform the hon. member.

* * *

[*English*]

EXTERNAL AFFAIRS

CANADIAN POSITION IN NEGOTIATIONS WITH FRANCE RESPECTING CONTINENTAL SHELF—CONSULTATION WITH NEWFOUNDLAND

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Prime Minister. According to the text of a television interview released today, the Prime Minister referred to tough negotiations

that are currently taking place between Canada and France in respect of that country's claim to certain portions of the continental shelf off eastern Canada. In light of the treaty of 1763 by which Britain ceded St. Pierre and Miquelon to France, has the government of Canada taken any position whereby Canada would concede any portion of the continental shelf to France in light of the provisions of that treaty?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the upshot of my comments was that we had been discussing various forms of an agreement with France and, as in negotiations of this type, both parties had different points of view and no agreement had been reached yet. But we are hopeful that one can be reached in the future on the basis of the different propositions, either from Canada or from the French.

• (1430)

Mr. McGrath: May I ask the Prime Minister what position Canada is taking with respect to the provisions of the Treaty of Paris of 1763, amd may I also ask the Prime Minister whether the province of Newfoundland has been consulted with respect to these negotiations, bearing in mind that province's special claim to the continental shelf as a result of the Act of Union of 1949?

Mr. Trudeau: It is hard to have a unique opinion on the Treaty of Paris of 1763. Various results flowed from it for various parts of the country. I can only say that it is an historic fact, that we in Quebec are prepared to live with it and I hope that you in Newfoundland are also prepared to live with it.

Mr. McGrath: May I ask the Prime Minister whether Canada is prepared to concede that France has any claim whatsoever to any portion of the continental shelf off eastern Canada?

Mr. Trudeau: Mr. Speaker, I do not think it would be to the advantage of Canada for me to say publicly what our negotiating posture is. But the hon. member himself must realize that in so far as there is any territorial water at all around an island, some of it must lie over the continental shelf.

* * *

INDUSTRY

COAL MINING, NOVA SCOTIA—FULFILMENT BY PROVINCE OF OBLIGATION RESPECTING INDEPENDENT OPERATIONS UNDER AGREEMENT WITH FEDERAL GOVERNMENT

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Would he give consideration to examining the original agreement entered into between the federal government and the province of Nova Scotia with regard to the take-over of Dosco Mines in Nova Scotia and make a statement in the House on whether or not the government of the province of Nova Scotia is living up to its end of that agreement?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, as the hon. member knows, part of that agreement is not under my administration but under that of the Minister of Regional Economic Expansion.

With regard to the McBean mine, if that is what the hon. member has in mind, I would be prepared to consider making a statement in the House on the government's position about continuation of the mining operation.

Mr. Coates: Would the minister, in co-operation with his colleague, examine the position of the province of Nova Scotia with regard to its obligation to undertake the responsibility for all independent coal mine operations in Nova Scotia because of the agreement of the federal government to assume obligation for the Dosco operations in Cape Breton? From that point of view I wonder whether the minister would consider making a statement to indicate whether or not the government of Nova Scotia is living up to its part of the agreement?

Mr. Macdonald (Rosedale): I am certainly prepared to discuss that with my colleague.

SUGGESTED ENLARGEMENT OF JURISDICTION OF DEVCO TO INCLUDE THORBURN COLLIERY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, the minister may have already answered my supplementary question, but would he consider, while he is looking over the general situation, enlarging the jurisdiction of Devco to include control over the Thorburn colliery since there is already an indirect administrative connection?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the government of Canada entered into an agreement with the government of Nova Scotia and the colliery itself for the phasing out of that particular operation. The coal body in essence has been substantially exhausted at this time and it was agreed that the government of the province of Nova Scotia would assume the responsibility for the winding up of the mine operation. As the hon. member knows, I have seen the respective interests down there and communicated to them the government's decision: it would be in the best interests of all concerned to take other means, such as manpower policies, to deal with that situation rather than to try to keep a virtually exhausted mine going.

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POLLUTION

THREAT TO WEST COAST FROM PROPOSED TAPS TANKER ROUTE—SUGGESTED REQUEST THAT UNITED STATES JOIN IN REFERENCE TO INTERNATIONAL JOINT COMMISSION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I want to direct a question to the Secretary of State for External Affairs arising out of the answer he gave me on April 21 as recorded at page 1515 of *Hansard* in which the minister indicated that Cherry Point was not necessarily a terminal for the TAPS program. Has his

attention been drawn to the fact that a United States official has stated in Washington that a survey is now being made of the waters adjacent to Cherry Point to a depth of 90 feet with a view to accommodating oil tankers of some 500,000 tons? In view of the fact this survey is being made, is the Canadian government now prepared to change its position and to ask the U.S. government to join with Canada in making a joint submission to the International Joint Commission with respect to the entire TAPS program?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am familiar with some of the representations that have been made and the work that is going on. The view of the Canadian government is that the moving of oil to Cherry Point is not an essential part of the TAPS program. We have been urging upon the United States, if it does decide to go ahead with the TAPS program, that the oil should not be brought into Cherry Point. The government has made this position very plain and it is well known to the United States. Of course, they make the decision since the oil will move through American waters only and not through Canadian. On the other hand, I suggested to Secretary of State Rogers when he was here that there might be a joint reference to the International Joint Commission on the whole question of pollution in that very beautiful vacation land that none of us want to see despoiled. That is under consideration. As I said to the hon. gentleman, it is not possible, of course, to make a recommendation unless we do have the support of the United States. This we are trying to obtain.

Mr. Douglas: Mr. Speaker, while undoubtedly the minister is correct that the Cherry Point refinery can get crude oil from other sources, in view of the fact that a survey is now going on which would indicate that a decision has been made to use Cherry Point as the terminal for the TAPS program, may I ask the minister whether he has made any formal application to the United States government asking them to join with Canada in a reference to the International Joint Commission?

Mr. Sharp: Surveys do not imply decisions. There have been many surveys made which were aborted by later decisions. I have made formal representations to the Secretary of State that he should join with me in making a reference to the IJC. I have not yet had a response.

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EXTERNAL AFFAIRS

SUGGESTED RECOGNITION BY CANADA OF JERUSALEM AS CAPITAL OF ISRAEL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Having regard to consideration that is being given to this question in the United States, I ask the minister whether or not Canada has given or will give consideration now to recognizing Jerusalem as the historic and lawful capital of Israel and accept Israel's right to designate her capital city, and in so doing would he move our embassy from Tel Aviv to Jerusalem?

[Mr. Douglas.]

Hon. Mitchell Sharp (Secretary of State for External Affairs): The kind of considerations that are now weighing with the Canadian government are exactly the same as weighed with my right hon. friend when he was the Prime Minister of Canada. We do not want to jeopardize in any way the possibility of a peaceful settlement of the dispute. I am sure he would join with me in that wish.

Mr. Diefenbaker: Mr. Speaker, the minister always goes back to other days. I am asking him about today. Is he aware of the fact that the Republican House Leader, Gerald Ford, in the United States, has proposed that this be done now—not ten years ago but now—and will the minister say therefore that consideration is being given to this matter? I ask that because of his pretended affection for Israel.

Some hon. Members: Oh, oh!

Mr. Sharp: Of course consideration is being given constantly to this question because I do know the views of the government of Israel, but, like many other countries, we have not felt it desirable to complicate the negotiations for a peaceful settlement between Israel and her Arab neighbours, just as my right hon. friend seems to have taken these considerations into account when he had the responsibility of office.

Mr. Diefenbaker: Mr. Speaker, I now rise on a question of privilege. As usual, the minister manufactured an answer. The matter never came up nor was it ever suggested during that period of time.

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FISHERIES

ATLANTIC SALMON FISHERY CLOSURES—TAKING OF PARALLEL ACTION BY QUEBEC

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Fisheries. Has the minister been in touch with the province of Quebec this week, and can he say when parallel action will be taken by that province with respect to the ban on salmon fishing that has been applied in other provinces?

Hon. Jack Davis (Minister of Fisheries): I had discussions with the province of Quebec about two months ago. The substance of the announcements of the last few days has been transmitted to that province but I have not heard from Quebec in reply.

• (1440)

ATLANTIC SALMON FISHERY CLOSURES—SUGGESTED TRANSFER OF JURISDICTION TO OTHER PROVINCES IN ADDITION TO QUEBEC

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to ask a supplementary question. In view of the minister's statement yesterday that the province of Quebec will take similar action on its salmon rivers can the minister indicate whether that province has been given jurisdiction and control over its salmon fishery? If so, will similar consideration be given to the provinces of

New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, as the hon. member should know, the province of Quebec has been administering the federal Fisheries Act since the early 1920's.

Mr. Lundrigan: Would the minister answer the second and most important part of my question? Perhaps I ought to repeat my question. Let me get back to the important issue of 1972 and ask the minister whether, in view of the fact he has taken action against New Brunswick and against Newfoundland last week, he will give consideration to having that type of resource administered by these provinces inasmuch as Quebec has had control of that resource since the 1920's, as the minister ought to know?

Mr. Davis: Mr. Speaker, I think the action to which the hon. member is referring is assistance in support of a fishery which is in difficult straits. I have not had any offer either from the maritime provinces or from Newfoundland with respect to helping finance this compensation program.

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order, please. We shall have to move on. The hon. member has asked two supplementaries on this subject. Perhaps he might be recognized for a last supplementary and then we will go to the hon. member for Kent-Essex.

Mr. Lundrigan: Mr. Speaker, I will rephrase my question because I am not communicating very well with the minister. Last week the minister made a unilateral decision imposing a ban on the fisheries of New Brunswick and Newfoundland without consultation with the provinces or even with his own officials. In view of the fact that this arrangement has been imposed on the province of Newfoundland, which could not have been imposed if it had not been part of Canada, is the minister considering having that resource at least under joint control with the provinces or administered in some way so that we will have some input into it as a provincial jurisdiction?

Mr. Davis: The simple answer, Mr. Speaker, is no, but the premise of the question is wrong. There has been consultation. I spoke with the ministers responsible for fisheries in the maritime provinces, with the Premier of Newfoundland, and with their senior officials beforehand.

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HEALTH

NUMBER OF NURSES TRAINED FOR FIELD SERVICE

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the great scarcity of medical doctors and the establishment of paramedical training courses, would the minister state the number of nurses who are now being trained for field service and indicate how soon they will be operative?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I think that question might be more appropriately placed on the order paper. I do not have the precise figure with me, but I will try to let the hon. member know.

Mr. Rynard: Mr. Speaker, I thought the minister would have it, from the speech he made the other night in Hamilton.

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EXTERNAL AFFAIRS

VIET NAM WAR—GOVERNMENT ACTION IN LIGHT OF INCREASED HOSTILITIES—PLANS FOR EVACUATION OF CANADIANS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. What action is the government taking in response to the renewed crisis in Viet Nam and the appeal by the Secretary General of the United Nations to end the bombing of North Viet Nam and to reconvene the Geneva Conference so that this tragic war may finally be brought to an end?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Canadian government was not consulted by the Secretary General of the United Nations before he made his offer of good offices, but we have indicated that we would be prepared to co-operate with him in any way, either by the provision of observers or anything of this kind, if suitable terms can be worked out, or in any other way that might be useful. I think it may be partly as a result of the efforts made by the Secretary General that the Paris peace talks have been resumed, and I think the hon. member and myself are both gratified that that much progress has been made. There is no prospect whatsoever, I think, of any reassembly of the Geneva group.

Mr. Brewin: Mr. Speaker, I point out that the hon. member for Egmont put a question to the Prime Minister yesterday in the absence of the Secretary of State for External Affairs related to action in regard to Canadian personnel who perhaps are in war zones in South Viet Nam. Has the Secretary of State for External Affairs any answer with respect to that matter?

Mr. Sharp: Yes, I have, Mr. Speaker. It is rather long and I do not know whether I would be permitted to make it now, because I think I should give some detail.

Mr. Speaker: The hon. minister might like to give this information on motions at some other time.

Inquiries of the Ministry

[*Translation*]

INDIAN AFFAIRS

JAMES BAY HYDROELECTRIC PROJECT—ASSISTANCE BY FEDERAL GOVERNMENT—DISCUSSIONS WITH QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Indian Affairs and Northern Development.

Yesterday, Max Gros-Louis stated that he had asked the federal government to intervene in connection with the James Bay development project. Can the minister tell us whether he has received such a request and, if so, what does his department intend to do about it?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have effectively received such a request from the Quebec Indian Association and we are now considering the situation. I will soon get in touch with the Quebec Indian Association in that connection.

Mr. La Salle: I would like to direct a supplementary to the minister, Mr. Speaker. Can he tell us if he is now engaged in consultations with the Quebec government and if the latter has also requested the federal government's co-operation?

Mr. Chrétien: Mr. Speaker, I have discussed this matter several times either with the premier or with other Quebec ministers and, of course, we are ready to co-operate in order to find a solution agreeable to all.

[*English*]

ASSISTANCE TO JAMES BAY AREA INDIANS IN OPPOSING HYDROELECTRIC PROJECT

Mr. David Orlikow (Winnipeg North): As a supplementary question, Mr. Speaker, I again ask the Minister for Indian Affairs whether, in light of the requests for assistance from the Indian Association of Quebec, he can assure that group that the Indians in the James Bay area will be helped by his department if they request legal assistance in their dispute with the government of Quebec?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I have already said, Mr. Speaker, that we would be ready to help Indians in seeking a solution to the problem they are facing in the James Bay area. If the whole thing boils down to some kind of legal assistance, we shall be glad to consider this request in due course.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

PROCEDURE IN RECOVERY OF OVERPAYMENTS OF BENEFITS

Mr. A. D. Hales (Wellington): Mr. Speaker, my question was for the Minister of Manpower and Immigration who was in his seat just a minute ago, but I shall address it to his parliamentary secretary. It deals with a number of complaints I have received, and I am sure other hon. members have received similar complaints, regarding unemployed people who have received overpayments. In most cases these overpayments were caused by errors made by the staff of the unemployment insurance offices during that state of confusion they went through. Now these claimants are being asked to repay this money. What steps will be taken in this regard?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, I will take that question as notice on behalf of the Minister of Manpower and Immigration.

Mr. Hales: Mr. Speaker, now that the minister has returned to the chamber I will put my question again. It deals with the large number of claimants who have been assessed for overpayments. In most cases these overpayments were due to errors made by the staff in the unemployment insurance offices during the recent state of confusion they went through. Will these claimants be expected to repay these overpayments, or will each case have an individual assessment?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the custom has always been in these types of cases, to discuss the individual problem rather than give a blanket ruling. If there have been any errors because of the administration during what the hon. member quite properly describes as a period of confusion, every effort will be made with the individual to make the repayments as easy as possible.

Mr. Speaker: Order, please. I note that there are a number of supplementaries sought, but hon. members should realize that we are running short of time and perhaps we should try to limit supplementaries. For the moment the Chair will recognize the hon. member for Grand Falls-White Bay-Labrador.

Mr. Yewchuk: On a point of order, Mr. Speaker—

Mr. Speaker: I believe the hon. member for Athabasca has been trying to ask a question supplementary to the previous one, and he might be recognized for that purpose.

Mr. Yewchuk: Mr. Speaker, I am sorry I had to rise on a point of order in order to get your attention.

Mr. Speaker: Order, please. If the hon. member rises on a point of order that is a different matter. I will hear the point of order.

Mr. Yewchuk: I am sorry, Mr. Speaker. I just want to ask a supplementary question.

Mr. Speaker: Order, please. The Chair has already recognized the hon. member for Grand Falls-White Bay-Labrador, and immediately thereafter I will recognize the hon. member for his supplementary. I think that would be more orderly.

• (1450)

EXTERNAL AFFAIRS

INTENTION OF UNITED STATES RESPECTING RENEWAL OF LEASE OF AIR FORCE BASE, GOOSE BAY

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of National Defence. Has the United States government indicated to Canada any intention of phasing down its base operation at Goose Bay or has it indicated its intention to maintain operations as at present?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, negotiations are presently going on with respect to United States operations at Goose Bay. When I have additional information that I can give to the hon. member, I shall be pleased to do so.

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INDIAN AFFAIRS

REQUEST FOR STATEMENT ON ACTION TO PROTECT RIGHTS IN RELATION TO JAMES BAY HYDROELECTRIC PROJECT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, may I direct a supplementary question to the Minister of Indian Affairs and Northern Development. It has to do with difficulties connected with the James Bay power development project. Would the minister be prepared to make a statement on motions early next week, on Monday or Tuesday, outlining the position and action that he and his department have taken in regard to protecting the rights of the Indian people involved in the area?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, yesterday officials of my department met the representatives of the Indian Association of Quebec who submitted a proposal. I intend to discuss the matter personally with the Indian Association of Quebec before announcing the government's position in this respect.

[*English*]

Mr. Yewchuk: Ten o'clock, Mr. Speaker.

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ADMINISTRATION OF JUSTICE

REQUEST FOR ACTION FOLLOWING REMARK BY JUDGE CONCERNING INDIANS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I ask a supplementary question. Perhaps it is a related question, but since we are dealing with our first citizens may I direct my question to the Minister of Justice who I hope has had placed before him by the Prime Minister the matter of Judge Collins and his use of some derogatory remarks with regard to our first citizens.

Mr. Speaker: Order, please.

Mr. Alexander: My question is—

Mr. Speaker: Order, please. The hon. member has the floor for a supplementary question. If hon. members seek and obtain the floor for the purpose of asking supplementary questions which are not supplementary questions, there will be grave disorder during the question period. The hon. member wishes to ask a related question. I am prepared to recognize him for that purpose and he will be allowed to ask his question. I make these remarks as a caution to hon. members not to seek the floor for supplementaries when the questions are not really supplementaries. Having made these general remarks, the hon. member can proceed to ask his question.

Mr. Alexander: On a point of order, Mr. Speaker, I hope that at this particular stage of the question period, when we are talking about the rights of Canada's first citizens, we may ask questions about judges who are making derogatory remarks against them. If they are not to be treated as citizens it is meaningless for us to discuss their problems in regard to the James Bay project.

Mr. Speaker: Order, please. The hon. member should not ask the Chair to rule on that kind of point of order. He is obviously out of order. He was recognized for the purpose of asking a question which really was not a supplementary question. That is my ruling. However, he is still recognized for the purpose of asking the question to which he has just referred.

Mr. Alexander: Mr. Speaker, may I direct my question to the Minister of Justice again. Is the government prepared to make some statement, since it has had the opportunity of looking at this matter for some four months, on what the government's attitude is regarding the statement made by Judge Collins of Sudbury regarding Canada's first citizens? Has he looked into the matter and is he now prepared to make a statement in order that we may be advised whether this country is a multicultural country or not?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, this matter has been gone into thoroughly. May I say I regret that the hon. member, with his legal mind, would liken one situation to another, which can cause great unfairness to individual people involved, as he did in his question the other day. Examination of the whole transcript of the proceedings convinces one that Judge Collins, while perhaps having made an unfortunate remark, particularly so because it can be taken out of context, was in the course of the proceedings fair and lenient to the person who was before him. He made the remark in the course of a lecture while imposing a suspended sentence. The case was discussed with the Department of Justice of Ontario and also with Chief Judge Collin Bennett of Ontario, and we are satisfied that no further action needs be taken at this time.

Mr. Alexander: Although the Minister of Justice seems to think that these are unrelated instances, in my opinion, and I say this with all due respect, they are both similar in that derogatory remarks were directed against individuals. Would the minister be prepared to table all correspondence and other material related to the investigation? Further, would he be prepared to bring the matter to the attention of the Standing Committee on Justice and Legal Affairs in order that it can look into it?

Inquiries of the Ministry

Mr. Lang: Mr. Speaker, I will be glad to examine the question of what properly might be brought forward to the hon. member in connection with this case. I would be pleased to discuss it with him privately. I will not engage here in comparing one case with another, but I suggest to the hon. member that it is extremely unfair to do so.

Mr. Alexander: Mr. Speaker, I rise on a question of privilege. I cannot understand that remark being made when a member has risen to question the minister in a responsible way in order to obtain information. This matter has been before the Minister of Justice and the government for some four months. The province of Ontario moved with dispatch, and I say this with the greatest respect, with respect to a similar type of situation immediately it became known. Why can this government not move as quickly? I ask this because many people wonder what the minister's attitude is.

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

* * *

UNEMPLOYMENT INSURANCE ACT

POSSIBLE AMENDMENTS RESPECTING SICKNESS BENEFITS AND SEVERANCE PAY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration and is supplementary to the question asked earlier about the Unemployment Insurance Commission. In view of the numerous delays in the payment of unemployment insurance benefits over the past few months, is the minister in a position to assure the House that he will introduce appropriate amendments before next fall to take care of some basic problems regarding such things as sickness benefits, severance pay, etc?

Mr. Knowles (Winnipeg North Centre): If he is here then.

Mr. Mackasey: Mr. Speaker, if the hon. member had attended the committee yesterday when the estimates of the Unemployment Insurance Commission were discussed, he would have found that members of all parties congratulated unemployment insurance officials for the return to the degree of efficiency which has always been synonymous with the Unemployment Insurance Commission, with the exception of only two months. He is perfectly willing and able, I am sure, to appear before the appropriate committee tomorrow when it continues and pose these questions to the officials who will be on hand.

* * *

TRANSPORT

SHORTAGE OF RAILWAY CARS FOR MOVING BRITISH COLUMBIA LUMBER

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question for the Minister of Transport. In view of the continuing shortage of various types of railway cars serving the forest industry of British Columbia, may I ask whether the minister is aware of the situation and what action is being taken to correct this worrisome problem.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have answered various forms of this question during recent days and conveyed the information given to me by the railways, which is that the shortage is being reduced and that more cars have been obtained in the United States and are either in Canada or on the way to Canada. I will be glad to get another status report as of today and pass it to the hon. member.

* * *

FAMILY INCOME SECURITY PLAN

SUGGESTED DELETION FROM BILL OF SECTION DENYING INCREASED BENEFIT TO CHILDREN IN FOSTER HOMES—OBJECTIONS BY NEW BRUNSWICK

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Are the minister and the government considering deleting a certain section of the FISP bill so that children in foster homes and institutions will not suffer further disability because they will not receive the increase that other children will receive under the plan?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I would point out to the hon. member that this only happens in cases where we are already supporting these children through the province by cost-sharing under the Canada Assistance Plan.

Mr. Fairweather: Has the minister now responded to a telegram from the minister of welfare of New Brunswick objecting to the bill in its present form, pointing out that these family allowance funds are held in trust for the benefit of children and objecting to the fact that the bill took on its present form without any consultation with that province?

Mr. Speaker: Order, please. The hon. member for Vancouver-Kingsway.

Mr. Fairweather: Is there to be no answer? That was not a hard question to answer.

* * *

HEALTH

MEDICARE—INVESTIGATION OF REPORTED EXCESSIVE CHARGES BY SOME ONTARIO PRACTITIONERS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is the minister working with provincial authorities to investigate charges that under medicare some Ontario doctors are gouging the public at rates of $1,000 per week for services in institutions and $300 an hour for clipping toenails?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I must advise the hon. member

that medicare, so far as the federal government is concerned, is a cost-sharing arrangement with the provinces. The administration is entirely within their area of responsibility and jurisdiction. They have not asked that any role be played by the federal government in this.

Mrs. MacInnis: A supplementary question, Mr. Speaker. Since medicare—

An hon. Member: The minister has just answered your question.

Mrs. MacInnis: Yes, and I will ask another one. Since medicare is a federal-provincial cost-sharing scheme and since it is essential for medicare to work better and for the public to have confidence in it, does the minister intend to insist on a full investigation of these charges which indicate that very serious practices are going on?

Mr. Munro: Mr. Speaker, I answered the hon. member's question precisely as to whether we were investigating this particular area of alleged abuse, and the answer was no. The province has not asked us to investigate. If, on the other hand, she wishes to know whether we are behind the provinces and support them in attempting to cut down wastful expenditures and abuses of this kind, the answer is yes.

* * *

• (1500)

[*Translation*]

MANPOWER

ADULT OCCUPATIONAL TRAINING ACT—INQUIRY WHETHER COURSES WILL BE TERMINATED BEFORE COMING INTO FORCE OF AMENDMENTS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have for the Minister of Manpower and Immigration a question related to the bill to amend the Adult Occupational Training Act.

Can the minister assure the House that those now receiving vocational training will be able to complete their studies before the minister's new bill is implemented?

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the two matters are unrelated. I might say, while I have the opportunity, that I intend later in the week to table the appropriate correspondence between my department and the premiers of the various provinces. People presently on courses will not be affected by this bill; it simply widens the scope of the program and permits people who were previously ineligible for courses to become eligible.

AIRPORTS

PICKERING TOWNSHIP SITE—PROVISION OF INFORMATION TO MEMBERS OF PARLIAMENT

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question for the Minister of Transport. When will the documents that were made available at the airport meeting with the minister this morning be available to members of this House and the general public?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the answer is now. Rather than make a general distribution—I would be glad to do but goodness knows we receive enough paper—any member who wishes to see the documentation should call my office and we will see that it is delivered right away.

Mr. Cafik: Mr. Speaker, will these documents be made available in sufficient quantity to allow members of parliament to cope with the heavy demand for additional information regarding the Pickering site?

Mr. Jamieson: Yes, Mr. Speaker. Any information that any taxpayer wants on the plan can certainly be made available.

[*Later:*]

Mr. Cafik: Mr. Speaker, I have a supplementary question for the Minister of Transport. In view of the fact that a special group of departmental officials is being made available to provide in-depth information to the People Over Planes group regarding the Pickering airport site, will the same expertise be made available to others who express interest in obtaining similar in-depth information?

Mr. Jamieson: Yes, Mr. Speaker. Whether their name is Pop, Pow, Alakazam or whatever it happens to be, they will get the same treatment.

Mr. Baldwin: How about Danson?

Some hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

ARMED FORCES HOUSING—POSSIBILITY OF PERSONNEL ESTABLISHING EQUITY THROUGH RENT PAYMENTS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct a question to the Minister of National Defence. It relates to the indication we now have that Treasury Board is going to initiate a review with regard to housing for employees within the public service. My question is more specific and concerns members of the Canadian Armed Forces. Will the minister assure the House that representation will be made within the context of this policy review with regard to a method by which members of the Canadian Armed Forces might build some equity through the rents which we compel them to pay because of the nature of their service to Canada?

Inquiries of the Ministry

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I will be very pleased to consider this representation.

* * *

LABOUR RELATIONS

WEST COAST GRAIN HANDLERS DISPUTE—PROGRESS OF CONCILIATION BOARD

Mr. Cliff Downey (Battle River): Mr. Speaker, my question is for the Minister of Labour. Has a progress report been received from the conciliation board appointed by the federal government to assist in working out a contract between grain handlers on the west coast and the employers?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, both parties have agreed upon a chairman for the conciliation board and preparations are being made to bring representatives of the two parties together before the board.

* * *

FINANCE

INQUIRY AS TO PRESENTATION OF BUDGET

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is to the Prime Minister. In view of the extent of the indecision that seems to reign in government circles these days—

Some hon. Members: Oh, oh!

Mr. Stanfield: —I ask the Prime Minister whether he has yet given the Minister of Finance permission to bring in a budget?

* * *

UNEMPLOYMENT INSURANCE

ALLEGED ADVERTISING OF BENEFITS AS PART OF CONDITIONS IN EMPLOYMENT OF MATES ON FISHING VESSELS

Hon. Paul Hellyer (Trinity): Mr. Speaker, my question is to the Minister of Manpower and Immigration. Is the minister aware that west coast fishermen are advertising for fishermen's mates for the current season on the basis of 15 per cent of the gross catch plus $400 a month, plus unemployment insurance guaranteed for a number of months?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, knowing the vagaries of the sea and recognizing the fact that most fishermen in this country have a very indefinite type of income and should be assisted rather than ridiculed, I think that type of advertisement is not necessarily out of order.

Some hon. Members: Hear, hear!

[Mr. Forrestall.]

Mr. Hellyer: Will the minister be less flippant and investigate the allegation and, if it is proved to be correct, introduce some changes to the Unemployment Insurance Act which will remove some of these grotesque anomalies?

Mr. Mackasey: Mr. Speaker, the advertisement which the hon. member has described is certainly quite legal. If he knew a little more about the fishing industry and how it is—

Mr. Speaker: Order, please. We have reached the end of the question period. The House might allow the Chair to recognize the hon. member for Kootenay West who has been trying to ask a question for at least two days.

* * *

POLLUTION

PROCLAMATION OF ARCTIC WATERS POLLUTION PREVENTION AND NORTHERN INLAND WATERS ACTS—AVAILABILITY OF REGULATIONS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In view of the need for more environmental protection in the north, I ask the minister whether the Arctic Waters Pollution Prevention Act and the Northern Inland Waters Act which were passed a year ago have been proclaimed by the government and, if not, when will these acts be officially proclaimed?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, as far as I am concerned they have been proclaimed. However, I will double-check and inform the hon. member accordingly.

Mr. Harding: Have the regulations governing both these acts been drafted by the minister's department and, if so, are they available to members?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I believe these regulations were promulgated by the Privy Council and should be made available to hon. members. I shall see that they are handed to the hon. member.

[*English*]

Mr. Speaker: Orders of the day.

Mr. Brewin: Mr. Speaker, I rise on a point of order. It is in the form of a request to the Secretary of State for External Affairs to seek the consent of the House to revert to motions so that he can make a statement on the situation of Canadians in the war zones in Viet Nam.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am not sure that this is entirely in order, but with the consent of the House the Secretary of State for External Affairs might be allowed to reply to the question.

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

VIET NAM WAR—STATEMENT ON ASSISTANCE TO CANADIANS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, since Canada has no diplomatic representation in Viet Nam, the British Embassy in Saigon provides consular assistance to Canadians in the area and has agreed to include Canadians and certain other Commonwealth citizens in its contingency plans for evacuation. We are in consultation with the British authorities concerning the present situation.

Until recent developments in the central highlands region of South Viet Nam, Canadians serving under the development assistance program have not been in areas affected by the present hostilities. However, in recent days the security situation has deteriorated in the coastal city of Qui Nhon where the joint Canadian-Vietnamese rehabilitation centre is located, and it was considered necessary to move part of the Canadian team and their dependants temporarily to Saigon to await an improvement in the situation. Other Canadians working on assistance projects elsewhere in Viet Nam remain outside the major areas of hostilities, but we are continuing to watch the situation closely. The remainder of the Canadian aid program which comprises in part humanitarian and paramedical projects such as providing vaccines, food aid and emergency relief is continuing, and in response to an appeal from the government of the Republic of Viet Nam for assistance to persons displaced by the current hostilities Canada has undertaken to provide 500 metric tons of canned fish on an emergency basis.

• (1510)

Mr. Speaker: The hon. member for Peace River.

Mr. Baldwin: Mr. Speaker—

Mr. Speaker: Order, please. I apologize to the hon. member for Peace River. The hon. member for Gander-Twillingate rises on a question of privilege. I will recognize the hon. member for Peace River shortly.

Mr. Lundrigan: Mr. Speaker, I rise on a question of privilege. In the last few days a number of questions have been raised in the House concerning the salmon fishery and the need for consultation with the provinces. Reference was made to what took place under the administrative arrangements with Quebec arising from the understanding reached in 1920. The Minister of Fisheries, I do not think deliberately, has consistently stated that such consultations have taken place, and he referred specifically to the Premier of Newfoundland with respect to the salmon licensing arrangements on the southwest coast of that province.

Two considerations arise. First, I should like to state for the record that there have been no such consultations specifically in connection with these problems and the minister has a responsibility to set the record straight. Second, there ought to be some means whereby urgent questions of this kind—

Mr. Speaker: Order. This is not a question of privilege by any stretch of the imagination. I do not know under what guise the hon. member is trying to bring this matter to the attention of the House. Does he intend to propose a motion or ask for a reference to committee in connection with this matter? This is not a question of privilege and the hon. member is entirely out of order. He has a question which he would perhaps like to clear up during the question period, but this is not a question of privilege.

Mr. G. W. Baldwin (Peace River): My comment will be brief, Mr. Speaker. I am sure hon. members appreciate the fact that the minister has responded to requests for information on this serious situation. Because of the gravity of these events and the fact that Canadians are involved, I would only ask the minister whether, within the limits of security for Canadians who are in the area, he would from time to time keep the House informed as to what is being done.

Mr. Diefenbaker: How long is "from time to time"?

Mr. Speaker: Orders of the day.

Mr. Lundrigan: Mr. Speaker, this is perhaps going beyond my experience as a member of parliament, but I understand that if information is conveyed to the House which is not in accordance with the facts, an hon. member has a grievance. I have just had a discussion with the Premier of Newfoundland, and in connection with the statement by the minister that he did hold consultations with that province on the recent announcement concerning the salmon fishery, specifically on the southwest coast of Newfoundland, may I say that the minister has not given the House information in accordance with the facts. Is there no provision whereby the record can be set straight—

Mr. Speaker: Order, please. The hon. member may have a grievance, but the matter he has raised is one for debate. It cannot be raised or discussed in the House by way of a question of privilege. There are opportunities for hon. members to bring to the attention of the House grievances of this kind, but again I suggest to him that the correct procedure is not by way of a question of privilege.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed, from Tuesday, April 25, consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs, and the amendment thereto of Mr. Lewis (p. 1448).

Mr. John Gilbert (Broadview): Mr. Speaker, before the Easter recess I made a speech in which I set forth in detail my criticisms of Bill C-170. Since then speakers who have

taken part in the debate have contributed further arguments criticizing the bill and strengthening the points I made in opposition to the measure.

There were three main areas of objection to which I directed attention in the course of my previous speech. The first was that Bill C-170 replaces the principle of universality with the principle of selectivity; second, the bill stigmatizes people in receipt of low incomes; third, that the measure is so confused that it will lead to misunderstanding and resentment. Moreover, the abandonment of the principle of universality will lead to divisiveness, as has been the case in the past when the government has applied the principle of selectivity to other acts.

I hardly need to remind the House of the divisiveness which has been created in connection with the old age security legislation and the income supplement related to that scheme. All hon. members have received letters reflecting the ill-feeling which has been created among senior citizens who receive the basic old age security allowance of $80 and do not benefit from a cost of living bonus. They contrast their position with that of people who receive old age security payments together with the income supplement and the 2 per cent cost of living bonus. I do not think it is worthy of the government to ignore these feelings which have been engendered among recipients of old age security benefits.

The government is repeating this mistake in connection with family allowances. The principle of selectivity was applied recently in connection with unemployment insurance benefits and has created not only chaos but ill-feeling among workers. I was surprised yesterday when the Minister of State for Urban Affairs (Mr. Basford) said the government intended to make money available at low rates of interest to people in low income brackets so they might purchase homes. I am surprised he should have chosen this course rather than announcing comprehensive housing plans which would lead to a proper mix of people at different income levels. The government is once again stigmatizing and segregating a certain group of people. I have given three examples of the improper use of the principle of selectivity as opposed to the principle of universality.

The House has before it an amendment to the motion, in the name of the leader of my party. In substance, it says we should give consideration to the introduction of legislation amending the Family Allowances Act and Youth Allowances Act to provide for substantial increases in the allowances paid thereunder, to continue the principle of universality and make related changes in the income tax legislation. I hope the minister will support the amendment.

It is heartening to note that members of the Conservative party have been speaking in support of the amendment. It is also heartening to note that members of the Créditiste party have in their speeches indicated support of the amendment. I would think the substance of their argument can be deduced from the amendment itself; many of us wish to continue the principle of universality.

I would remind the minister that when he brought forth his white paper on family income security, many of us believed he would refer it to the appropriate committee for study in depth before legislation was brought down. He did not do so. He introduced legislation concerning old age pensions and this resulted in the criticism to which I have referred. One of the ways in which the hon. gentleman could avoid criticism of this bill would be by supporting the amendment, continuing the principle of universality and at the same time making an appropriate increase in the allowances under this program. Alternatively, he could withdraw the bill and refer this legislation, together with the white paper, to the Standing Committee on Health, Welfare and Social Affairs where it could be studied in depth.

I recall that in his opening statement the minister attempted to persuade members of the House that the Canadian Council on Social Development and the Canadian Labour Congress were in agreement with the terms of the measure before us. The speech of my hon. friend from Winnipeg North Centre (Mr. Knowles) drew attention to the criticisms and reservations expressed by those bodies.

• (1520)

I am making a special appeal to the Minister of National Health and Welfare who I think basically is attempting to bring forth legislation to help the children of Canada. I ask him to support not only the amendment but to give full consideration to transferring the subject matter of this bill to an appropriate committee. I think he would be the last to want to stigmatize or categorize people in regard to their income. It is high time that we in Canada stopped doing this and I think the minister, who most of the time wants to do his best for Canadians and is concerned for them, would not want this principle to continue.

The third point that I set forth regarding the complexities of the legislation I am sure has had an effect upon the minister. It certainly has had an effect upon hon. members who have read the bill and have tried to determine what its provisions mean and how they will be applied. Some have said that it would require the genius of a Philadelphia lawyer to determine what will be income and how much income a person must have before qualifying for family allowances.

We should always make bills as simple and as understandable as possible. The minister has failed to do this. He has taken directions from a cabinet committee as to what should be done and has tried to squeeze into the bill a principle that should not be applied in Canada. I ask the minister not to be persuaded or counselled by his officials regarding this bill but to read it and see whether he can understand it. He is a lawyer by profession and knows how to read statutes and the clauses of bills. I would give him the Pulitzer prize or the Nobel prize if he could tell the members of the House in clear, concise and convincing terms what is meant by some of the provisions of the bill.

As I have said, I have had the opportunity of setting forth in detail my main criticisms. At this time I rise only to repeat them and to plead with the minister. He has brought forth a very bad bill both in principle and in administrative complexity. I would ask him as a Canadian, not as a Liberal but as a Canadian who is concerned for the social security of all Canadians, to reconsider the bill and to bring forth a measure that is clear, concise and

convincing. If he does this he will have the support and gratitude not only of the members of our party but of all Canadians.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, if I may speak to the amendment to this bill moved by the New Democratic Party, one of the members of that party has indicated that I am surprised by their opposition to the bill, that indeed I looked surprised when they took the position that they would vote against the bill on second reading. They are right; I am surprised. As many hon. members know, the Economic Council of Canada, the Senate report on poverty, the Council on Social Development, to say nothing of numerous other studies, have all indicated that in this country perhaps four to five million Canadians are living below the poverty line and that something must be done to alleviate their situation.

This is why the government has brought in what is undeniably an anti-poverty bill, a bill that is based on the principle of selectivity which will vertically redistribute income to the low income groups. Added to the present $650 million paid out yearly in universal family allowance payments will be another $170 million, making a total of $820 million vertically redistributed to improve the economic condition of those in the lower middle and lower income groups. And the New Democratic Party, the supposed party for the underprivileged, is going to vote against it!

Some 1,249,000 families, representing 35.5 per cent of all families in Canada which have been receiving universal family allowances, are below the minimum income levels provided in the bill. The minimum income levels in the bill are higher than the minimum tax levels and these families will receive maximum benefits under this legislation. If we relate the benefits under the bill to the family allowance we will see that the benefit structure under the bill provides benefits that are more than double for children up to 10 years of age. For children 10 to 12 years of age the benefits are doubled. For children between 12 and 15 the benefits are, again, more than doubled. For children between 16 and 17 the benefits are exactly doubled. And one wonders why I am surprised that the New Democratic Party is voting against this bill!

The bill provides greater benefits than is now the case for an additional 623,000 families. These are in addition to the 1,249,000 families I referred to earlier who will receive full benefits, more than they receive today. These families are, of course, in the lower and lower middle income groups. Again, some ask why I am surprised, as indeed I am, that the New Democratic Party is voting against the bill.

Let me give an example of what this legislation means to a family at the $5,000 annual income level. Take a family with two children receiving the maximum benefit of $30 a month if the children are under 12, and up to a maximum of $40 a month if they are over 12. This represents a net gain of $18 to $20 a month. If there were three children in the family, the maximum benefit would be $45 to $60 a month or a net gain of $27 to $32 over the previous family allowances which were universal.

Looking at this situation in terms of yearly incremental income in both instances which I have just mentioned, a family with two children under the age of 12 would receive $216. If the children were over 12 the family would receive $288 per year incremental income. In the second example I referred to, the family with three children under 12 would receive a yearly incremental income of $324. With three children over 12 years of age, including those receiving youth allowances, the amount could be up to $432 a year.

Now let me cite the case of a family with two children, at the $6,000 a year income level. If both children were under 12, the family would receive $11.70 for each child or a total of $23.40 a month. This compared with the present legislation means a net gain of $11.40 per month. If both children were over 12, for each child the family would receive $16.70, a total of $33.40 per month, amounting to an incremental income per year of $208.80; in other words, under the family allowance program that represents a net gain of $17.40 per month.

• (1530)

In the case of four children under 12, the family would receive maximum benefits under this legislation of $60 or an incremental income of $432 per year. In terms of monthly net gain over the present family allowances it would be $36 per month. For a family with an income of $6,000 a year, with four children over 12, the maximum benefits would be $80 per month. In terms of comparison with the monthly benefit under the present family allowances structure, that is a net gain of $36 to $48 per month.

I ask hon. members opposite to tell the mother of a family at the $5,000 income level that this program is a cruel hoax. Let the leader of the NDP, the hon. member for York South (Mr. Lewis),tell the mother of a family at the $6,000 level, with four children, that the incremental income here of $432 to $576 per year, a monthly net gain over the present system of $36 to $48, is a cruel hoax perpetrated on the poor. Let the leader of the NDP tell these families that is why his party voted against the bill.

Let me read an excerpt from a recent column by Douglas Fisher which appeared in the Toronto *Sun* of Monday, April 24, 1972, under the heading, "The rich get richer and the poor get poorer". He was referring to a question placed on the order paper by the hon. member for Winnipeg North (Mr. Orlikow). The question was:

> In respect of the years 1961, 1966 and 1971, what was the distribution by income groups of families and individual taxpayers, and particularly the grouping of income above $1 million?

The question went on to ask what the levels were at $6,000, $5,000, $4,000, $3,000, $2,000 and $1,000 annually.

The answer from the national revenue department was that there was no distribution by family income groups, but it gave the following distribution of individual taxpayers based on the annual analysis of tax returns. These were the latest available figures, being those for 1969. They are very interesting. The table of figures shows that out of the total number of taxpayers in Canada, 7,363,000—69.9 per cent or a total of almost 70 per cent—were receiving a total income of $7,000 a year or less. If you take the intermediate figure for the group of taxpayers earning between $7,000 and $8,000, in order to arrive at

the percentage earning $7,500 or less, using that calculation as a rough guide the percentage escalates to 74.1 per cent of the total number of taxpayers earning $7,500 or less. It is precisely this group that will do no worse than at present in respect of benefits under the family allowances program and a very significant majority of the people within this group of 74 per cent will do very substantially better under the legislation before the House.

Therefore I ask, when this legislation is of tangible benefit and improvement for a great majority of this 74 per cent, and none within the 74 per cent will do worse, can you wonder why I am surprised that the NDP will vote against it? Can one be surprised that they seem to be advancing their appeal to the top 25 per cent of the income earners in Canada? It seems to me a weird and wonderful posture for the leader of the NDP and its members who have historically adopted the posture of more for the little man.

It is very interesting that the leader of the NDP states that he has had a chance now to more carefully read the bill. He stated on April 19, as recorded in *Hansard* at page 1444:

> —we have had an opportunity since the Easter recess to study the bill before us further and the more one studies it and its effect, the more it becomes clear to us that it is unacceptable in principle.

Then he said:

> Of course, I know that my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), in leading off for our party in this debate said that we were prepared to give the bill second reading and send it to the appropriate standing committee.

That was the leader of the NDP referring to the hon. member for Winnipeg North Centre, saying that he was speaking for the entire NDP. The leader of the NDP went on to say, again referring to the hon. member for Winnipeg North Centre, that the hon. member did have many serious objections to make in respect of the bill. So over the Easter recess the leader of the NDP decided to reverse the previous decision of that party as expressed by their own House leader and said that on second thought they were no longer prepared to support the bill. What kind of drivel is that? I suggest it is indicative of the cynicism of the NDP with reference to its posture on this bill. Will that hon. member for one minute and in all seriousness advance the proposition to all hon. members that the selectivity principle of this bill is new, that it spells the end of universality and that this became apparent only over the Easter recess?

All the essential features of this bill were in a bill tabled in the House in September, 1971. We know that when the hon. member for Winnipeg North Centre indicated he was prepared to give the bill second reading he had studied it fully. Every member of this House knows that he is a well known expert on matters of income security. Do the members of the NDP really expect the House to believe that only over the Easter recess did they become fully aware of the provisions of this bill and decided to reverse their stand and vote against it?

Are we to assume that the leader of the NDP thinks so little of his House leader that that hon. member would not have explained the provisions of the bill to the whole caucus and therefore they did not know what they would be voting for when they said they would support the bill on second reading? Are we to assume that over all the months since September, 1971, during which this bill has been before us, a major piece of social legislation, none of the members of the NDP understood its provisions? I suggest that over the Easter recess the NDP decided to change its posture. It decided, cynically, that perhaps it could appeal to the middle income voter and obtain some political gain at the expense of the poor of Canada.

Some hon. Members: Shame!

Mr. Munro: Perhaps a further indication of this political cynicism and expediency can be found in the example which the leader of the NDP selected in pointing out why he could not support the bill. Of course, he picked out the income level of $7,500. I point out that this is the very level at which he hopes to capitalize by obtaining some support. When he refers to this level he does not refer to the man making $15,000 a year, $20,000 a year, or the millionaire, all of whom are losing all the benefits under the plan. He zeroes in on this particular income group and thinks it is the group where the government is vulnerable. This is the group to which he chooses to refer.

• (1540)

The leader of the NDP picks out the example of a family with an income of $7,500 and one child and says, "Look at the deplorable features of the bill" because in this particular case they receive $1 less per month than under the present family allowances scheme. If he had picked one child of that family, and instead of placing him under the age of 12 had placed him over the age of 12, then it could be calculated that they would not lose $1 per month compared to the present family allowance, but would gain up to $2.10 per month. Or if the hon. member for York South (Mr. Lewis) had wanted to be a little more objective he could have said that that family at $7,500 had two children over age 12, and then he would have had to say they would receive extra FISP benefits of $3.50 to $7.50 per month.

Let us look at another example of picking carefully selected examples to point out his particular point of view. He went on to give the example of a family with an income of $8,000 and on that family he again bestows one child under 12. Naturally, the child receives the lower of the two benefit levels, $5 compared to $20. The leader of the NDP said:

> If the family income is $8,000, the payment to the child will be $3.45 a month.

Of course, in that case the child had to be under the age of 12. If the family had two children, one under age 12 and another over 12, the benefit would be $15.10 instead of $14 as at present, for a net gain. But he did not give this family two children, or even one child, over age 12. This was probably contrived to indicate his point that here is an income redistribution policy which is detrimental to the middle income group. He had to pick an example where there is a marginal decrease of $1. Just how cynical an approach does the New Democratic Party think it can perpetrate not only on the members of this House but on the Canadian people? The leader of the NDP hopes he can show that he cares for the middle income people. He thinks he has assessed their most vulnerable spot and

therefore picks out this example which will cost them a little money.

I and the members of this party think the hon. member has misjudged the intelligence of the middle income voters in this country. I believe the members of the New Democratic Party have belittled themselves and the principles for which they stand. I think the leader of the New Democratic Party speaks with a forked tongue. He talks about policies designed to make the poor better off as setting class against class. I think his own design in picking out these contrived examples is to do precisely that, to turn the middle income group against the poor.

The leader of the so-called party of the left seems to be ready to resort to tactics of this kind. Now we see the real politics of polarization. Again he picks out the most contrived example in the middle income range to point out a marginal increase. We ask: Do the New Democrats feel they can win votes in this way, by disavowing everything they have said they stand for during the last decade? Does the leader of that party really believe he can cynically count on the tactics of polarization?

We know that at one time the socialists went about trying to constructively use the tactics of polarization. That was when they tried to polarize the poor against the rich to bring home their point and get action to alleviate their circumstances. Now they have moved up a notch and would endeavour to polarize the middle income group against the poor.

An hon. Member: The government's economic policies are doing that.

Mr. Munro: I do not know what the New Democrats think they will gain, in terms of appeal, from the Canadian people. Many of the people in the middle income group are not prepared to support the New Democratic Party in any event. Even if they believe the New Democratic Party, they will think this is such a desperate and cynical move that they will not approve its tactics.

Mr. Gilbert: We are getting to you.

Mr. Munro: The New Democrats say they are getting to me. I want them to get to me one of these days on an election platform in Canada, before the people of Canada and the middle income groups whom they are cynically manipulating for support and using as a justification for the fact that they intend to vote against this bill. I do not think they will stand up very well.

I would like to tell that party something about my experiences with the middle income group in this country. I have been going across the country talking to many of these people. I agree that some of them, apparently the ones to whom the New Democratic Party are listening, rather resent the fact that they are losing their family allowance, but on reassessment they indicated to me that they were prepared to lose part or all of it if it would be of tangible assistance to people in worse circumstances than theirs. Of course, they also said this applied so long as the wealthy in this country also lose all their benefits. That is precisely what this legislation provides. They know there is far too large a group of the work force earning a marginal income which means there is little incentive to work. They know the wage scales do not take into account the number of dependants but merely the value of the labour to the employer.

They know that a worker's wages do not provide adequate compensation to a man who has family responsibilities, and that this discourages him and provides little incentive for him to remain in the labour force. They know there is inducement for him to go on welfare. They know that a man with a marginal income must receive incremental assistance. They are prepared to join the ranks of other Canadians in attempting to do something about it and to build incentive back into the welfare scheme, as well as attempting to make up for deficiencies in the minimum wage laws and provide incremental income to the man with a family.

The people in the middle income group are prepared to pay their fair share to see that this is done. They know that the man earning an income of $5,000 with children is living in poverty in Canada. They know that it is the unorganized worker about whom so many of us should be concerned. He is the income earner who does not have a union to represent him. They also know something about the minimum wage legislation. Many of these income earners know that the minimum wage legislation only assists single persons and married couples without children. But even as low as the income of low income earners is, whatever tangible benefit they do have from the minimum wage legislation is diminished in terms of anything approaching a semblance of adequacy every time an additional child comes into the family. The middle income workers know that only by raising minimum wage levels above the social assistance level will there be any real incentive to work. They know that the only way this can be done is by legislation providing incremental income based on additional children. Once we bring in legislation of this kind we can realistically raise our minimum wage levels and perhaps make a joint, effective attack on poverty.

• (1550)

In that connection let us look at the minimum wage levels in some provinces, including those which have NDP governments. I will pick one province in particular, Manitoba. It provides for a minimum wage of $1.65 per hour. Extrapolated in terms of a week of 40 hours, this works out to $66 a week. How can a man with a family live on that? How much is it a year? It is $3,432 a year. Why would that man with a family not go on welfare? The minimum wage levels there depress the social assistance rates and ensure their inadequacy.

Under this legislation, if a man has three children and, say, two are over 12 and one is under 12, we can give him an extra $660 a year. That, combined with a more realistic minimum wage law, would at least elevate that man to the poverty line. Surely we must all agree that taking the legislation in terms of what the minimum wage laws can do, it would be virtually impossible to expect it to take care of the situation of the low income earner with a family. It can relate only to the single and married people without children. But we can have a realistic policy to combat poverty when we combine the minimum wage laws with FISP, which would provide incremental income such as I have just stated, and in the process would

provide real incentives for people to remain in the labour force and not to go on welfare. So a combination of these two policies would take care of the most difficult problem over which this country and those concerned about poverty have agonized for many years.

The NDP is voting against this legislation and they wonder why we in this party are surprised. They wish to go to the people of Canada with this cynical, political device. I submit that if they do they will be truly repudiated. The NDP states that they do not like this selective approach; they wish to adopt the universal approach; they would pay everyone a universal benefit irrespective of income, and they would not only double the present family allowances but, as their amendment indicates, they would increase them substantially over that which the FISP legislation before the House provides. Everybody would automatically ask: How in the world are we going to pay for this?

The hon. member who moved the amendment suggested that we amend the tax legislation but he does not say what amendments he would make. He is appealing to the middle income group by telling them that we should double or more than double their benefits, but he does not give any detail on how he would collect this money through amendments to the tax legislation. I wonder how naïve he thinks middle income group earners are whom he is subjecting to such a cynical and blatantly superficial appeal for their support? These people know very well that if there is to be a redistribution of income in favour of those in the lower income group, someone has to pay for it. When the New Democrats talk about amending the tax legislation they mean that these benefits would be paid from taxes. The intelligence of the middle income group cannot be insulted in this way.

Let us consider the figures given by Douglas Fisher in the article in the *Sun* from which I quoted a few minutes ago. He indicated that those making $10,000 a year and over—as we know, under the present tax structure they are in the 35 per cent tax bracket—constitute only 11 per cent of the total number of taxpayers in this country. To only double the benefits under the bill presently before the House—not more than double them, as the NDP would have it—would cost roughly an additional $700 million a year. We know from these figures that only 11 per cent of all taxpayers in this country earn $10,000 or more a year.

Where would the leader of the NDP get the additional money to pay the $700 million that he wishes to pay out in universal benefits? is he going to tax this 11 per cent? If he wanted to recover that $700 million a year from 11 per cent of the taxpayers in Canada, he would almost have to apply a 100 per cent recovery rate through taxes; and even if he took back dollar for dollar the amount of the family allowance they receive he could not collect the $700 million which is necessary. So who do the NDP think they are fooling?

The NDP talk about the Canadian Council on Social Development which recommended universality. What they did not mention in any of their speeches is that the council recommended special recovery rates. The NDP would pay these cheques to all the mothers of this country and then they would take the money back from the wage earners in the form of income tax. They would pay out the money on the one hand and on the other take it off the husband who is earning a salary, at a 100 per cent recovery rate. The wife would go out and spend the monthly cheque and the husband would lose the money from his salary dollar for dollar.

How naïve do they think the middle income group is, to be fooled by this blatant charade according to which money would be given on the one hand and then taken back dollar for dollar from the income of the wage earner? Even so, the bill amounting to $700 million could not be paid. If the recovery rate through the taxation of many in the high income group was less than 100 per cent, there would be a significant wastage of funds. Money would be given to people who did not need it, to those in the high income group, and millions of dollars which could go to those in the lower income group who need it would be wasted.

Mr. Speaker, I do not think that the middle income group will be fooled one bit by this charade when they know that almost 90 per cent of the taxpayers in this country are below the $10,000 a year income level. They know that these bland promises are cynically thrown out in an appeal for their vote. They know, also, that the money has to come from somewhere, that it cannot come from just the 10 per cent earning over $10,000 a year. They know it is impossible to finance arrangements of this kind in that way.

Perhaps the leader of the NDP would suggest that we increase corporation taxes. What would he do? Let him be frank with the Canadian people. Would he increase corporation taxes by 10 per cent? My figures indicate that that might bring in roughly $230 million a year.

• (1600)

An hon. Member: What about the resource industries?

Mr. Munro: Would he increase corporation taxes 20 per cent? According to the law of diminishing returns, that would bring in perhaps another $150 million a year. In effect, this would pay roughly only half of the bill that the Canadian people would have to meet as a result of the amendment the NDP are now advancing. Let them be specific. They are not fooling anybody. They say they are going to have special recovery rates. Are they going to give the universal benefit to the middle income group on the one hand and then take it back, dollar for dollar, at a 100 per cent special recovery rate? If so, will they apply that special recovery rate at the $8,000, $9,000 or $10,000 income level? Why try to delude the middle income earner? Why try to deceive him by in effect saying you are defending him at the expense of the poor?

Then there was the statesmanlike approach taken by the hon. member for Winnipeg North. He gave the example of a steelworker in my riding and said he would lose marginally on the benefit to be paid.

Mr. Gilbert: That got to you.

Mr. Munro: Yes, that got to me. I would like the hon. member who is cynically trying to appeal for votes from that group to come with me and see whether the steelworkers in my riding are as naïve as he thinks they are. I can tell him that they are not nearly so naïve as he thinks

and this blatant insult to their intelligence will not get him or the NDP very far.

Mr. Speaker, we have talked about the just society. We have talked about licking poverty in this country. I will tell you something about the steelworkers, about these people in the middle income group. They, too, have been joining the chorus of voices that are saying we must do something about poverty. And if we can do something to redistribute more income to workers in the low income bracket, they are prepared to pay their share. That may come as a surprise to the cynics in the NDP. Any member of that party can come to my riding any day of the week and try to fight that issue.

Some hon. Members: Hear, hear!

Mr. Munro: Another misapprehension that the leader of the NDP had was that families on social assistance would receive only half the benefit. I state unequivocally that that is not the intention of the bill, nor does the bill state that. The children of families on social assistance will receive the maximum benefit. What he is talking about relates largely to children in custodial care or in institutions where half the benefit is paid and we share the cost through cost-sharing arrangements under the Canada Assistance Plan.

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the minister, but his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Laniel): It seems to be the disposition of hon. members to allow the minister to continue. This can be done only by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Munro: Mr. Speaker, I shall not take up much more time. I thank hon. members for the opportunity to finish my remarks.

Mr. Fairweather: May I ask a question at the end of your speech?

Mr. Munro: Certainly. As I was saying, it was stated that this program would not help families on social assistance. I repeat that they will receive the maximum benefit, contrary to what the leader of the NDP stated. I think it was the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) who indicated that although we pay out the maximum benefit for the children of a family living in poverty on social assistance, this will not mean any increased income to that family because the province in turn will deduct dollar for dollar the amount of the increased benefit from its social assistance levels.

Mr. Fairweather: No.

Mr. Munro: That was the suggestion advanced. If the hon. member who just said no had been in the House yesterday, he would have heard a member of his own party say so.

The reply to that statement is yes. Conceivably, that could be done but it would have to be a conscious act or policy of the provincial administration, that once such a family received the increased FISP benefit it would deduct dollar for dollar the amount of the increase from the social benefits paid to the family, the cost of which we share. I may say that I have not met in my travels any provincial ministers of welfare who have indicated that under any circumstances they would adopt a policy of that kind. I believe there are very few provinces in which that type of action would be resorted to, so I have high hopes that this measure will add to the disposable income of the people who desperately need more money. I would think that any provincial administration which would adopt such a policy of avarice, such a harsh policy in terms of the low income group, would be repudiated by provincial electors.

Another point that should be clarified concerns how income is calculated. For FISP, your income is the combined net income of husband and wife. This means all payments—

Some hon. Members: Oh, oh!

Mr. Munro: Just hold your "Oh, ohs" because there are more breaks here than some members of the NDP think. This means all payments that both parties receive, but their unavoidable expenses are not counted. In other words, there is every exemption save two counted in assessing income; those two are the personal exemption for one's self, spouse and children and one's medical and charitable deductions. Thus, combined gross income would include the following: wages, salaries, rents, dividends, interest, capital gains plus certain government payments like unemployment insurance, Canada Pension Plan and old age security. Not included in the computation of income are workmen's compensation, veterans pensions, the guaranteed income supplement, social allowance, any insurance award for damages and the family income security payment itself.

So to arrive at net income you subtract all the money you do not really have use of, in other words your non-disposable income. This includes business losses, office overhead for the self-employed, union dues, membership fees for professional organizations, tools and equipment, alimony and child support payments, day care expenses, registered retirement savings plan including payments to the Canada Pension Plan, superannuation and other employee private pension plans, and personal annuity insurance policy payments. This gives you your net income before personal, medical and charitable exemptions. Income for the purposes of FISP is calcuated on this basis.

Some hon. member asked: What about the position of farmers and fishermen? Farmers and fishermen compute their family income security payments, so far as income is concerned, in the same way as they compute their income tax. Deductions from gross income are allowed as follows, taking fishermen first: fuel, repairs and maintenance of equipment, including boat, purchase of nets and net repair, capital cost allowance of equipment, insurance on equipment, municipal taxes on a privately-owned wharf and wages for employees on the boat.

For farmers the deductions allowed are as follows: wages to farmhands, cost of livestock purchases, all prop-

erty tax on farm buildings and farm house, insurance on buildings and equipment, livestock feed, grain seed for planting, twine and bags, pesticides, herbicides and fertilizer, repairs to buildings—100 per cent on farm buildings and 50 per cent on a farm house—and the capital cost of buildings and equipment. I could elaborate on some of these examples, Mr. Speaker, and in committee I will be prepared to do so in order to alleviate the fears of some hon. members.

Another objection taken to the legislation was the terrible administrative bureaucracy that it was alleged would be built up as a result. It is indeed strange to hear this type of argument being supported by the NDP who indicate that we should have more bureaucracy.

An hon. Member: Why?

Mr. Munro: Their policy is that government should move into more areas to assist people suffering injustices in our society. Nevertheless, strange as the objections may be, I think hon. members have greatly overestimated the administrative problems that will be encountered. I ask hon. members to compare this plan with the guaranteed income supplement for the aged. In that program we brought in selectivity. Benefits were based on the previous year's income. If during the current year the recipient of the guaranteed income supplement suffered a marked drop in income, he was given the option of going on the current year's basis so that his benefit level would increase and overcome that hardship.

• (1610)

Upward of one million of our 1,700,000 old age pensioners are receiving all or part of the guaranteed income supplement. They must file an income statement in the same way as is proposed in connection with the family income security plan. I ask hon. members present to say frankly how many complaints they have received regarding those applications. There have been some, but not many. Can any member of this House say that the approximately one million pensioners receiving the guaranteed income supplement do not welcome that payment even though there is an income test? They must make a statement in full, but do they not welcome the program? No investigators come around bothering them. The cheque is in an envelope and they can go to an impersonal bank and cash it; therefore there is no humiliation connected with it. Do our approximately one million old age pensioners not welcome these payments, for all these reasons?

Mr. Orlikow: Mr. Speaker—

The Acting Speaker (Mr. Laniel): Is the hon. member rising on a point of order?

Mr. Orlikow: No, Mr. Speaker; I rise to ask a question.

Mr. Munro: Can any hon. member say that many of those one million Canadians have complained about being humiliated? In their objections, hon. members opposite have made excessive statements about this particular policy. The program we are considering will be administered in the same way. There will be many variations in payments just as there are variations in the cheques that go out for the guaranteed income supplement. Under this program the size of the cheque will vary according to the number of children, the income level of the family and the ages of the children; so that even when a cheque is cashed, anybody else watching will have no idea of the income level of the family.

Objections along these lines entirely ignore the functioning of our banking system in many urban areas. One can simply cash a cheque by signing it and presenting it at the bank where it can be paid into an account. The gross exaggeration in terms of what will happen in the administration of this program is merely another device hon. members opposite are using to distract the attention of this House and the citizens of Canada from what is at issue. Those exaggerations are a form of blatant cynicism and an attempt to manipulate the opinion of a group in Canada that is not greedy, the middle income group. Hon. members will soon discover the truth once this legislation is passed.

The Acting Speaker (Mr. Laniel): Some hon. members wished to ask the minister questions and he agreed to accept them. The Chair recognizes, first, the hon. member for Fundy-Royal (Mr. Fairweather).

Mr. Fairweather: Mr. Speaker, I thank the minister for accepting my question and I apologize for interrupting him. The question I wish to ask is one of great seriousness. Does the minister not realize that family allowance moneys paid to children in foster homes, institutions and otherwise outside the normal family structure are used, as one might put it, to pay for extras such as school supplies, clothing and other supplies for children who in ordinary circumstances get a very meagre shake in life? That is what bothers me so much about clause 6(2). In many cases the money is used to help these children get a start in life and takes the place of help otherwise provided by parents. Can the minister see his way clear to changing this aspect of the bill?

An hon. Member: Through amendments?

Mr. Fairweather: The hon. member will have to wait for the amendments that will be brought forward in committee.

Mr. Munro: Mr. Speaker, I will endeavour to answer the question. May I say that I realize the significance of what the hon. member has said. Rightly or wrongly, in this legislation we are providing maximum benefits for children of families receiving social assistance who are not being raised in an institutional setting. We are trying to equate equally benefits received by children in families and by children in institutions. Since we are already sharing with the provinces half the cost of operating many of these institutions—

An hon. Member: But those are different payments.

Mr. Munro: I am trying to explain in a rough way the rationale behind the bill. I believe the hon. member who asked the question, or a colleague of his received a communication from the minister responsible for social welfare in New Brunswick. I am perfectly willing to look at this matter again in committee and see if some better formula cannot be worked out.

Mr. Fairweather: Thank you.

Mr. Orlikow: Mr. Speaker, may I ask the minister a question? In talking about administrative problems, he said that there have not been many complaints or problems connected with old age pensioners receiving supplementary benefits. Would he not agree that there is a vast difference between people receiving the old age pension, who have a relatively stable income, and working people and farmers whose incomes fluctuate as a result of unemployment, pay increases and other factors, and that therefore there will be many problems for people in the latter category in figuring out what their benefit level will be because their incomes may change from month to month?

Mr. Munro: Mr. Speaker, the recovery rates under FISP will be in a closely compressed bracket. Without doubt, there are considerable variations in connection with the guaranteed income supplement and, of course, there are bound to be great variations in the family income security plan, if for no other reason than that more people will be applying than is the case under GIS. I am trying to point out that the GIS program is selective, applying to a significant number of people, one million. Although members of parliament I have talked to have complained about benefit levels, and so on, they have not mentioned many serious complaints with respect to administration. That shows that this country, in advance perhaps of any other country in the free world, has been able to use the income test and not the means test in an appropriate way so that we are able to protect the dignity of people and still give them a supplementary income on which to survive.

Mr. Marshall: Mr. Speaker, may I ask a question? Perhaps the minister would clarify something that worries me. The best way of asking my question is by giving an example. Let us say that a man is earning $4,500 a year and is getting maximum benefits. Let us say, also, that his wife works for part of the year and that the family still gets maximum benefits. She may begin working six months after the beginning of the year. Then let us say that next year she loses her job and the family's income drops to $4,500. How will the government recover any overpayment? There is bound to be confusion because people will have to repay certain benefits received in the previous year.

Mr. Munro: If I understood the hon. member's question correctly, let me say this. If because of hardship in the current year a man decides to exercise his option on the basis of his current year's income, and if his income jumps back up in that same year, recovery will take place. This is all done by computer. A similar sort of thing happens in connection with the guaranteed income supplement for the aged. Speaking of the guaranteed income supplement for the aged, in cases where we had to effect recoveries in the following year, many of the complaints did not concern so much the recoveries themselves as the fact that we tried to make recoveries within too limited a time frame. Since then we have spaced out the time and minimized the payments; in other words, the monthly payments necessary to make recoveries are lower. By so doing we have effectively dealt with most of the complaints.

• (1620)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to direct a question to the hon. Minister of National Health and Welfare.

Since the hon. minister intends to solve the problem of poverty in Canada, I should like to ask him how he can do so by taking money away from those who do not have enough already.

[*English*]

Mr. Munro: Mr. Speaker, I explained at considerable length in my speech the precise answer to that question. If the hon. member did not listen to it, I hope he will read it.

The Acting Speaker (Mr. Laniel): Is the hon. member rising for the purpose of asking a question?

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker; I want to make a speech.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I should like to take part in the debate on this amendment as I sincerely believe it deserves our attention since the bill before us is not entirely adequate. This piece of legislation was not prepared well enough; in other words, it would be a good thing to accept this amendment even if we have to deal later on with another bill on that subject.

The reasons that lead me to support this amendment, Mr. Speaker, are the following: first of all, the basic problem dealt with in this bill does not seem to be solved adequately.

As for the inadequateness of clause 6, I have already proved it in a speech on the motion for second reading and I shall not go back to it.

Still, one of the factors which leads me to support the amendment is the inadequateness of the amounts provided for in respect of allowances. The vast majority of my colleagues have already spoken against selectivity being applied to family allowances. I share their views; consequently, that point should be reviewed.

Other major reasons should also be considered and lead the minister to pospone study of the bill, so that a better bill might be prepared.

Mr. Speaker, this bill deals with a constitutional matter. I believe the right hon. member for Prince Albert (Mr. Diefenbaker) has already mentioned it in a speech, and that the bill, because we are selecting those who will receive the allowances, becomes anticonstitutional, and that it was through an amendment to the very Constitution of Canada that the federal government stepped into this field of exclusively provincial jurisdiction.

Now, the amendment that had to be proposed when family allowances were introduced gave all Canadian families, without any distinction, the opportunity of receiving family allowances. Consequently, by accepting Bill C-170 as drafted, we are running counter to the Constitution itself. More especially, Mr. Speaker, since we are dealing with a matter about which there are great differences of opinion among the various parts of the country. We all know that Quebec does not accept that system and

that it would rather control all those benefits through a system which it would co-ordinate itself.

As for the bill, it even seemed to us that we were witnessing a federal-provincial race or, if you prefer, a Canada-Quebec race. They are both competing to be first. On the one hand, the Quebec Minister of Social Affairs, who had set May 1, as the target date, was compelled at a certain moment to say that he would postpone for a month or two his comprehensive family allowances plan. On the other hand, the federal government is endeavouring to have the legislation concerning family allowances passed quickly.

If in such an important part of the country as Quebec there is not full agreement with this measure, we realize immediately the need to further consider this subject and to pstpone for a little while the passage of this bill. There is a major reason, in my view, for supporting the amendment.

We must also, instead of making a petty reform of this kind, consider a general plan where anything relating to social questions would be coordinated within a system which would provide every Canadian with a guaranteed income.

It is in a comprehensive scheme that all these things should fit. This is why I say, again, that instead of passing a particular legislation, we should further consider a general solution to the whole problem, thst is, the establishment of a guaranteed vital minimum income for all. Such should be our objective. Social laws that we have considered should be drafted in view of this major objective.

• (1630)

It is obvious that giving $15 or $20 more, in a very niggardly manner, checking books of every family in order to find out, to the month, what is its income, will not solve the problem. It is some form of excessive socialism that such a method would introduce. And as was stated by, I think, my colleague from Lotbinière (Mr. Fortin) a few days ago, such selective benefits create discrimination.

I say in effect, Mr. Speaker, that discrimination is created, considering that in knowing the amount of family allowances received by a family, one also knows the approximate amount that family's income. Is that not indirect intervention in matters concerning individual freedom, collective freedom and, especially, the freedom of families?

Some will say: The same thing happens with regard to income tax. The situation is slightly different there, because, as everyone knows, family allowance cheques are seen by all. Everyone knows that the children themselves speak about them, and that is why I say that there is discrimination.

It might even come to this. Two small boys, two little girls, or a little girl and a small boy will say: Me, I am not getting an allowance, while the other will reply: I am. So how are we going to accept such a situation? This is what I call discrimination.

One child will be told: I am not getting an allowance; at home, we are not getting any. The other will reply: I am because my parents are getting allowances. So, will they have to argue and say: I am not getting any because my parents earn more money than yours; yours are no good. We can easily see what this could lead to. This may be a viewpoint which has not been considered but this is really what could happen, all the more so since when children are 12, 13, 14 or 18 years old, parents usually give such allowances to the children themselves, especially when they are old enough to attend secondary school. Then I would really think that there is discrimination.

If they really want to score political points right now, for electoral purposes or otherwise, Mr. Speaker, there would be a very simple solution. Instead of introducing this legislation, all that is necessary would be to increase family allowances as we know them. All we need to do is to increase them. There is nothing complicated there.

That is why I say that those who feel that by supporting this amendment we are against raising family allowances are completely wrong. On the contrary, I would be in favour of a proposal such as this: From now on, family allowances will be $12 and $15 instead of $8 and $10. I would not object to that. I would even prefer to see them tailored to the real needs of families. Therefore, I am not against their immediate increase within the framework of the legislation that is already in existence, and we should wait before introducing a bill which could really help families with the problems they are facing daily, and particularly those resulting from the continuous rise in the cost of living.

Mr. Speaker, in closing I want to remind hon. members of a major fact, that nothing can be changed through hastily developed legislation to increase family allowances for the purpose of making a good impression on people, so that the government can claim to have increased family allowances from one amount to another, whereas there has been in fact all kinds of chicanery to deprive some people of these benefits according to their salary bracket.

I feel that any effort to achieve a worthwhile legislation in this field should concentrate on the basic determining factor and aim at bringing about social security as a whole, which could really solve basic problems of all Canadian families. And I repeat that to achieve this, it must be taken into account that this field comes under provincial jurisdiction and that there should therefore be more consultation with the provinces on the subject. Also, any agreement relative to family allowances should first be examined jointly with those provinces which want to implement their own system.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I listened with a great deal of interest and very close attention to the speech made by the Minister of National Health and Welfare (Mr. Munro). In terms of its construction and in terms of the manner in which he delivered it, I must say it was one of the best speeches he has made in the House of Commons. But in terms of any appreciation of social philosophy, in terms of any understanding of the needs of our society, that speech was so far off base I am as surprised he should have made it as he says he is surprised that we are opposing his bill.

The minister enjoyed using the word cynicism in the course of his speech. I did not count the number of times it appeared but it must have been a dozen or 15. Let me say to him, as one who for nearly three decades has been opposing needs and means and income tests, as one who has demonstrated a firm belief in the principle of universality, that I am not touched at all by his suggestion that our opposition to this bill because it does not stick by the principle of universality is a case of political cynicism, and I suggest to the minister that he himself knows better.

The hon. gentleman also appeared to derive some pleasure by affecting to discern a change in the position of this party between March 24, when I made the first speech on this bill, and the date on which my leader, the hon. member for York South (Mr. Lewis) spoke after the Easter recess. He was in the House for my speech on March 24—I presume he and his speechwriters have read it since—and he knows that that speech was one of opposition to this bill for the reasons I stated clearly at the time. At that point we considered that despite our opposition to the measure, we would let it go to committee in the hope that in committee we might be able to make the necessary improvements in it. However, the longer we studied the bill, the more we became aware of the obvious intent of the government to depart from the principle of universality wherever it could and the firmer became our conviction that at some point it was necessary to take a stand, that at some point it was necessary to say: You are going no further.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I do not mind telling you, Mr. Speaker, even though some of my hon. friends behind me may say I am revealing caucus secrets, that we had a struggle over the bill to amend the Old Age Security Act which the minister brought down in December, 1970. It confronted us with a dilemma. The bill did provide for some increase and for this reason we felt we ought to let it go through. But there were members of our caucus who argued that we should vote against it because it attacked the principle of universality.

• (1640)

On balance we let it go through, because although it attacked the principle of universality by increasing the guaranteed income supplement without increasing the basic amount—unless the minister still calls 42 cents an increase—nevertheless it was still true that there was universality at the $80 level. In other words, all persons in Canada 65 years of age and over can qualify for and receive that amount of money.

The minister now comes along and introduces a bill that completely takes away the principle of universality from family allowances. We know that the minister is a member of a government that seems to think it has to tear down everything that has been built up during the past 50 years and remake it, and we are wondering what is next. Will this government take universality away from medicare, hospital insurance and what have you? We think that in our day we should be moving further in the direction of universality, not away from it, and this is why our party has decided that at some point we have to say no. I say to the minister that this is that point. We are saying no, in our amendment, to second reading and we are going to say no by our vote on second reading itself.

As a matter of fact, Mr. Speaker, I was planning to make a speech today before the minister spoke, but in different vein. It was going to be a speech in which I would appeal to the minister to take this bill back to the drawing board or back to the experts in his department who drew it for him and to do his best to come back here with a reasonable and sensible piece of legislation.

I still think that the minister is a man of some common sense. I remember in particular the way in which we were able to work together when he was a private member and even when he became a parliamentary secretary, particularly in the days of the Canada Pension Plan. There has been a bit of a gulf between us since he became a minister and has all the authority and the power that goes with that, but behind all that I think there is still something in the minister to which one might appeal.

Despite the speech that the minister made this afternoon, which seemed to be one of defending the proposition he has placed before us, I say to him—and the minister referred to this—as one who has been paying attention to income maintenance and social security measures for a long time that this bill is a serious mistake in Canadian social security legislation. Far from his worrying about any disavowal with which he charges us, I would say to him that he and the members of the cabinet to which he belongs, led by the present Prime Minister (Mr. Trudeau), are in fact disavowing a position that it has taken the Liberals 50 years to achieve.

Mr. Douglas: "No more of this free stuff", says the Prime Minister.

Mr. Knowles (Winnipeg North Centre): Not only does he say that, but he says that it is a lot of guff for pensioners to be claiming that they are not getting enough to live on, and so on. Just as the government feels that every other area of government has to be torn apart and put together in some different way, they seem to think that King, St. Laurent, Pearson and the ministers that they had in their day were wrong to the extent that they moved gradually toward the concept of universality in social legislation.

Because this bill is not only opposed to what we have stood for across the years but is also opposed to what the Liberals themselves finally got around to putting on the statute books, we think that we are being true to ourselves, that we are doing a service to the Liberal party and most of all to the people of Canada, by taking a firm stand and saying that this bill in its present form ought not to pass.

I now want to say something about some of the comments made by the minister in his speech, on which I have commended him for its construction and the way he delivered it despite what I think of some of its contents. The minister rose in his seat only 20 feet away from me and said that we were voting against increasing allowances for the poor. I say nonsense, Mr. Speaker, we are not voting against increasing allowances for the poor. We want our people to get even greater allowances than the minister is proposing to assist them in the upbringing of their children. We are voting against the strings that the minister

and the Liberals are attaching to the increased allowances provided in this bill.

In the first place, despite all the persuasive language the minister used when he said that this is not a means test but an income test, the fact remains that it is a test to which people must submit themselves. Indeed, it is so far from the simple arrangements that have been in effect under the Family Allowances Act that I still cannot understand why the minister has brought in the bill.

Earlier today while thinking about the speech I intended to make this afternoon, which was to be different from the one I am now making, I went into the files in my office. Actually, I intended to pull out a copy of the original Family Allowances Act which Mr. King brought in in 1944 and to see what else I had in my files. I was amazed to see how simple the bill was—just a few pages, and there it was. But as I looked into my own files I discovered that in the 27 years since that legislation came into effect in 1945 I have not had ten letters from people complaining that they were not getting the right amount or that they were not getting the family allowances to which they were entitled. There were many letters calling for higher allowances, but almost none dealing with administrative errors.

We all know the kind of correspondence that we have been getting recently about unemployment insurance. We all know the kind of correspondence we receive about veterans pensions and allowances. We all know the kind of correspondence we have about problems experienced by our old age pensioners. Yet in a quarter of a century we have had precious little correspondence as members of parliament about family allowances cases because of the very simplicity and directness of the legislation that was brought in in 1944 and which was put into effect in 1945.

Under this bill we have a set of rules and conditions that I defy any member of the House, having read the bill three or four times, to comprehend. Under the old system, if you had a child of a certain age you got a certain allowance and that was it. Under the new rules you have first of all to consider the level of income of the family. During the latter part of his speech the minister made quite a bit about the limits on income for family allowance purposes being not as severe as we think they are. He went on to read off a long list of items. In effect, he was telling us that the definition of income under the family income security plan will be the definition of income used in the Income Tax Act. There might be one or two differences but in the main the definition is the same.

So that is where you start; you have to find out what is your level of income. You then have to face the fact that above a certain point, for every $500 in the family income there will be a difference in entitlement or in the amount of the family allowance. Even within the $500 range we will have to face the fact that every $100 difference in income can mean a difference of 33 cents per month in the amount of the family allowance. Then you will have to consider how many children you have, what their ages are, what happens when they move from one age to another, and so on.

[Mr. Knowles (Winnipeg North Centre).]

• (1650)

Then there is this very interesting system that has been developed in the bill in which there are extensive references to the benefit year and to the base calendar year. The benefit year starts on September 1 and continues until next August 31. That is the period for which you get your allowance at a fixed amount, except that nothing is really fixed. The amount you will get in that benefit year from September to August in most cases is determined by what your income was in the base calendar year, which is the calendar year that ended eight months before the benefit year began. However, there will be many people, in fact I would say many thousands of people, who will find it difficult to base their claim on that base calendar year which, as I say, ended eight months before the benefit year began.

So there is a possibility of substituting for the base calendar year the current calendar year, but the conditions under which you can make that substitution take several sections to spell out. Then under certain conditions, if you cannot estimate your income for the full amount of the current calendar year you can submit what your average income is for a certain number of these months and multiply it by a certain figure, getting an estimate that will be accepted.

Then there is the whole question of what happens to people when their levels of income change, especially the working people of this country, the people whose wage rates may go up a few cents an hour or who may have a bit of time off, a lay-off, and so on. It does not take very much of a wage increase to amount to $500 a year. You will probably have cases where employees will be wishing the increase were $490 a year instead of $510 because of what it will do to the family allowance.

The point I am making is that the items which will have to be fed into a computer will be legion, and it was the minister himself this afternoon who talked about putting these things into the computer. Any suggestion that it is a simple arrangement, as simple as the guaranteed income supplement—and even the simplicity of that I deny—is inaccurate. It is suggested that this is a lot simpler, but what it means is that you have here a complicated system which will cause the recipients of family income security plan benefits to be completely ignorant of where they stand.

I say to the minister—and this was the kind of thing I intended to say when my speech was being planned, before he made his—that within three years of the time this bill comes into effect some minister of national health and welfare will be coming into this House seeking legislation to change it. Some minister will be coming in saying it is utterly too complicated and too unworkable, that we have to simplify it and go back to a system whereby the amounts are paid out and any recoveries that are to be made are looked after at the end of the year or through the medium of income tax.

When I was talking earlier about all the complications, I forgot to mention the question of recoveries and overpayments. The minister made some reference to these this afternoon. Sprinkled through the legislation—the public will be aware of this and it will have to be in the pamphlets put out—are references to the penalties which can

be suffered if one makes a mistake or files a wrong application. So the whole thing, compared to the simple plan we have, is such a hodge-podge of complications that for the minister to stand up here today and say we are making a mountain out of a molehill suggests he has not read the bill. Perhaps I should not say that because I am sure he has read the bill, but I wonder if he has read it, not just with an eye to understanding it as a lawyer and an intelligent person versed in these things but with any attempt to understand what it will mean to the ordinary people of this country.

I come back to what I said at the start of this part of my remarks. I deny completely the minister's suggestion that we are voting against an increase in family allowances. I say we are voting against the strings that are attached to it. One of the most serious strings attached to this whole measure is, indeed, this complicated structure and grotesque array of conditions that people have to meet. This will spoil the legislation. I suggest that within three years—

Mr. Gibson: It is humanitarian.

An hon. Member: Oh, be quiet.

Mr. Knowles (Winnipeg North Centre): All I can say to the hon. member for Hamilton-Wentworth (Mr. Gibson) is that his father was a smarter man. He was here in 1944 and supported the principle of universality.

An hon. Member: He also knew when to keep quiet.

The Acting Speaker (Mr. Laniel): Is the hon. member rising on a point of order?

Mr. Gibson: I think it is unfair for my friend to refer to paternity. I would have to be as old as Methuselah to have any knowledge of his father, so I do not think it is a fair comparison.

Mr. Peters: He knew yours, but he sometimes wonders about him now.

Mr. Knowles (Winnipeg North Centre): I can tell the hon. member, in case he is not aware of it, that his father was not only a member of the House in 1944 who voted for the Family Allowance Act; he was also a member of the King government that brought it in. I hope the hon. member does not feel he has a question of privilege when I say that his father was a smarter man than he is.

I said that our opposition to this bill is not against the increases it contains but against the strings that are attached to it. The second string attached to this bill is the terrible uncertainty which hangs over it as to the amount which people will receive. They will have no idea of that amount, partly because of the complicated structure to which I have made a few references and partly because under the bill it is left to the government to change the amounts any time it wants, or make certain other changes in the legislation.

It is true there is a provision in the bill about the necessity of bringing these things before parliament for one of these affirmative or negative votes, and I am not sure which it is at the moment. The whole question of whether there will be any increase in the amount of the allowances to keep pace with the rise in the cost of living, or to keep pace with other conditions that might make further increases necessary, is not in the hands of parliament but in the hands of the government. It is that kind of uncertainty that we feel is a string which should not be attached to these allowances.

Now, Sir, without following any particular order I come to the string in respect of this bill that bothers me most of all, and it is the reason why I have reached the point where, along with my colleagues, I have to say no. The reason I must say no is that there is a string attached to these increases which makes it necessary that those who get them must wear the badge of poverty. The government can talk all it wants about this being an anti-poverty measure, but the fact of the matter is that in order to get the benefits under this legislation people have to parade, declare and assert their poverty. I say this is no way to get rid of poverty. We have had far too much of this in Canada and in some other western countries, where we make handouts to people because they are poor.

• (1700)

The fact is that we should be providing the means for a decent standard of living for people because they are people, the way in which we did it under the Old Age Security Act, before this government messed it up, and in the way we have been doing it over the years under the Family Allowances Act. But now the government proposes that the allowance to be made available for the support of children is not to be made available because children are children. It is to be made available to those on whom we place the badge of poverty. That is a string we do not accept and that is why we are opposed to this bill in its present form. That is why I think this minister ought to use the common sense he has left and take it back to cabinet and to his research people and ask them to redraw the bill in the simpler terms we have had since 1944.

Another string attached to this proposed increase in family allowances is one that came out in the speech the minister made this afternoon. He says the whole purpose of this approach of the government is to redistribute our social welfare dollars to make sure that they go not to those who do not need them but to those who do. That would be a plausible argument if it were not being made by a government which has done the very opposite. It has done nothing toward redistributing the wealth of this country. In fact, the approach in this bill and in the tax legislation in particular has been one to redistribute the wealth of this country in favour of the wealthy. The minister stands here with all of the charm of which he is capable and says we must not give any advantage to the wealthy. Was he around in this House or in cabinet when the present Minister of National Defence (Mr. Benson) was putting through the income tax legislation last year? Is he not aware that in that bill we gave to the wealthy infinitely more than we are giving to the poor, and infinitely more than we are taking away from the wealthy by taking away their family allowances?

Mr. Munro: We took one million off the tax rolls at the lower levels.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, these people over there think they have done something about poverty. My hon. friend, the minister's colleague, should worry about the poverty of the Indians.

Mr. Chrétien: Yes, and they will also benefit from this legislation.

Mr. Knowles (Winnipeg North Centre): My hon. friends over there, both of whom have some experience of poverty in their background and who ought to understand it, seem to think that when they take one million people off the tax rolls, some of whom were paying taxes of $10, $15, or even $100, they are placed in the class of the affluent and suddenly their poverty problems are solved. Merely relieving people of $10, $15 or even $100 a year in taxation does not solve their basic problem of poverty. Giving people an extra $8 or an extra $10 a month per child of itself does not solve the problem of poverty.

I am as sure as I am that I am standing here that if the ministers opposite me this afternoon, the Minister of National Health and Welfare and the Minister of Indian Affairs and Northern Development (Mr. Chrétien), were not here as members of a cabinet with all the power, authority and prestige they have—I see my friend laughing. Does he not have the power, authority and prestige I think he has? If they were just discussing this matter out of the chamber with some of us, out of their social concern, they would agree with me that what is needed in this country is social reform which moves in the direction of greater equality of income, and that we must bring up the incomes of those in the lower brackets and do it substantially. This business of a few dollars in the proposed legislation, or taking one million people off the tax rolls is peanuts and does not solve the problem at all.

Mr. Chrétien: You are voting against it.

Mr. Knowles (Winnipeg North Centre): My friend says we are voting against it. We are not voting against the increase. We want an even larger increase. We are voting against the strings and against a government which thinks it is doing something for those in the lower brackets when at the same time it has given an increase amounting to tens of thousands of dollars a year to those in the upper brackets through changes in the income tax legislation.

Mr. Chrétien: That is not true.

Mr. Knowles (Winnipeg North Centre): It is true. Do not ask us to look at these things in isolation. One of the reasons we have this kind of responsible government where the government controls the purse strings, and so on, is to have some integrity about these things and to have them looked at together. The fact is that all these things must be taken together. The increase in old age pensions, what we have done for the veterans and what we have done for the children of families represent a total package. This does not solve the problem of poverty and does not redistribute income. Maybe there is some redistribution. The poverty of the poor is being redistributed because those a little less poor will pay more so that those who are very poor will get a little more. However, those in the upper brackets, because of the changes in the tax bill of last year, get far more.

[Mr. Munro.]

The minister stands up today—I was taking notes a dime a dozen—and says that one of the aims of the government was not to give money to those in the upper brackets and to those who did not need it so that these many millions of dollars could go somewhere else, to those who need it. It does not happen that way. Not giving this family allowance money to those in the middle and upper brackets does not result in more money going to those in the lower brackets. Until the government is prepared to come in with a total package that is deliberately aimed at redistributing the wealth of this country and raising the economic levels of our people so that no group in society is below the poverty line, this kind of legislation should not be put through. It should be taken back to the drawing board and improved so that it is something worth bringing in. The minister said that between four million and five million Canadians are living below the poverty line. What a statement from a Minister of National Health and Welfare of a country producing over $90 billion worth of goods and services, with a population of a little over 20 million people!

Mr. Munro: Why are you voting against the bill?

Mr. Knowles (Winnipeg North Centre): The minister asks why we are voting against the bill. I have to come back to what I said at the start. He made a well constructed speech with excellent delivery, but he does not seem to have any appreciation of social philosophy and some of the real needs of our time. It is using a popgun against an atomic weapon for the minister to think that the kind of legislation he is bringing in today will do anything at all toward solving the problems of poverty in this country.

Our opposition to this bill is because we want something that will really tackle the problem of poverty. Even an adequate family allowance scheme would not do this, but a family allowance scheme that was simpler than this which paid everyone and in which there was no dividing of people into various groups would go in the right direction. What we need, along with that, is a program of really full employment and adequate social security measures right through the piece. We need programs of housing, urban development and anti-pollution. We do not want to have it said of Canada that it is a country that can produce $90 billion worth of goods and services and yet have four million to five million people, 25 per cent of its population, living below the poverty line.

• (1710)

I said earlier that a number of strings were attached to this piece of legislation and I singled out the one that bothers me most, namely, that these people are called upon to put on the badge of poverty, to advertise it, to assert it. This is really the reason that for all these years some of us have argued for the principle of universality. I am going to be accused of saying things I have said before, things which some of my own colleagues may have said, but I have the floor so here it goes.

I well remember the attitude of the older people toward the pension when it had the means test attached to it. They were ashamed to admit they were drawing the old age pension. That was back in the 1930s and 1940s. I remember equally well the change that came about and

how quickly it came about when that means test was taken off, the pension was raised a bit and people could say with pride that they were old age pensioners because everybody was receiving it. There was also the incentive to save something, and the lot of the older people materially improved, not only the economic lot but the attitude toward life.

I can go back in my memory to the golden weddings in the 1930s. There were not many of them and they were not very happy affairs, but in more recent years they have been and I think it is partly because of this attitude that once a certain age is reached everybody should be in the same boat. I think that is equally true about family allowances, and the fact that they have been universal, that the rich and the poor families received them alike, did something for the unity of this country.

Now, Sir, we are being told that that is an election issue. The Secretary of State for External Affairs (Mr. Sharp) was quoted a few days ago when he was Acting Prime Minister as saying that the real issue in the next election will be Canadian unity. I will not quarrel with that any more than I would quarrel with motherhood, but I say to the Minister of National Health and Welfare that this is not the way to do it. You do not bring the country together, you do not establish unity by dividing the country into the haves and the have-nots, by giving certain social moneys to people because they are poor rather than because they are people and dividing the country in this way.

We will go from bad to worse if we follow this course. We think it was a gross error when the Old Age Security Act was violated, as it was by this government, and part of it was put on a means test, a needs test or an income test basis, and we think that doing that to family allowances will have the same effect. I also think that the tendency will be for the children of families that are on family allowance because of their poverty to be another generation who will also get the family allowance because of their poverty. You perpetuate the very thing which we are trying to abolish.

What really annoys me about this minister, because I think he has enough sense to understand it, is this whole situation of the country being divided and of the divisions being perpetuated. It is the poverty that is here and that stays with certain classes of society that we should be attacking, and this bill, far from attacking this kind of division, this kind of poverty that is perpetuated from one year to another and from one generation to another, will actually increase it. So I still say to the minister, despite the confrontation we are having, despite the vote that may come on our amendments or on the main motion, despite the political challenge which he throws out and which is accepted—if he wants us to debate the issue on the hustings, we are prepared to do so—that he should take this bill back to the people in his department and back to the cabinet.

I wish it had been possible for us to get the original version of the Willard report. I do not know how many versions there were, but we did not see any of them. I hope that some day the records of this government will be open and students of history will be able to go into them and find out how it came about that under the present Prime Minister it was possible to reverse all these trends that we had finally sold to the Liberals across the years.

I believe that if we could really get to the sensible people in the government service—and the Minister of National Health and Welfare has many of them in his department; I am talking about public servants—they would agree that our job is to unite society, not divide it, and the way to do it is not by this kind of bill but by a bill that retains the principle that was in the Family Allowances Act of 1944 and in the Old Age Security Act until the Pearson and then the Trudeau government altered it a few years ago.

Mr. Speaker, I see you getting to your feet. Perhaps I can have a minute or two yet. I am sure the minister will give me five minutes for the ten we gave him.

Mr. Deputy Speaker: Order, please. The hon. member's time has expired. Is there unanimous consent that the hon. member be permitted to continue?

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): I thank hon. members and I shall not abuse the courtesy of the House.

We have been arguing that what should be produced is a piece of legislation similar to the one we had in 1944. The minister has put to us the challenge with reference to collecting money from taxes and whether we should follow the principles suggested by the Canadian Council on Social Development. I say to him, yes. There might be some details on which we would differ, but generally the idea of universality and an arrangement whereby in the case of those in the upper bracket the money is taken back in taxation, even to the point of 100 per cent, is infinitely better than this kind of arrangement.

When we drafted our amendment which the hon. member for York South placed before the House, we felt that it was a detail which we need not put into the amendment any more than we need put into it the amounts of the allowance. But we do feel we should get back to the principle of giving family allowance benefits to all families and making up for any excess that gets into the hands of the wealthy by a proper income tax structure. The minister says that we are not prepared to propose that kind of income tax structure. We certainly are, and he knows it. It is his colleagues, the Minister of National Defence and the Minister of Finance (Mr. Turner), who are unwilling to propose the kind of taxation that would get this money back.

The minister said something about the wife getting the allowance and spending it, and then her husband having to pay it back in taxation. That will be up to them, and as a matter of fact I think there would be people who would not apply for the family allowance for that reason, but it would be available to them. You will find that there are many mothers in this country, even in the $7,000, $8,000, $9,000 and $10,000 brackets, who would feel that the rights they have enjoyed since 1944 should be continued, the right to receive that cheque even if the old man has to turn around and pay it back in income tax. I think also that the amounts should be even higher than the $15 and $20 levels proposed in Bill C-170.

The minister keeps telling us, as do other ministers when we advocate increases in the old age pension, that we cannot afford these things. As I have said many times—perhaps my interjections have not always gone on the record—that is what Charlie Dunning said to J. S. Woodsworth when Mr. Woodsworth was advocating a pension of $20 a month. We could not afford it. We could not find the money. The country would go broke. The Senate followed that argument and voted against the first bill. But we found we could pay $20 years ago and a lot more in recent years.

• (1720)

Earlier, Mr. Speaker, I said that things have to be looked at in their totality. What one has to look at is not just the budgets of governments, whether federal or provincial, but the total wealth-producing capacity of the country. That capacity today is producing goods and services in excess of $90 billion and if we had full employment it would be well over $100 billion. What we have to do in this Parliament is decide on a system of priorities. In a country that can produce this much wealth, the first question is how is that wealth to be divided, to be appropriated?

Is it to go into big bank buildings, the profits of large corporations, and that sort of thing? Is it to go into huge incomes, even though there may not be that many of them, that are taxed at only 30 per cent, 35 per cent or 40 per cent? Is it to go into resource industries that pay little or no tax at all, or is this $90 billion to $100 billion to be used to provide a standard of living for all our people that starts with the proposition that in Canada there should not be anybody living below the poverty line?

The minister said that he was surprised we were complaining about an increased bureaucracy because he thinks we want the government to get into all kinds of things. Mr. Speaker, that was just a by-play in that first-rate political speech which he made. And that is what is wrong with him. If he has any social philosophy he should not be sitting over there with the Liberal party. What is wrong with him is his failure to realize that the job of government and the job of parliament is not to touch just a few things in our lives but to cope with this whole question of priorities and to make sure that absolutely the first claim on the wealth we are able to produce is the well-being and the standard of living of our people.

If we are to have any priorities within that general framework, Mr. Speaker, I suggest that they should be for our children and our older people. That is why we want an adequate family allowance program and an adequate social security program. It is why we put such emphasis on health care, on housing, on the things that will give people a standard of living such as they can enjoy and such as the country is able to produce.

So, Mr. Speaker, I hope I have shown the shallowness of the minister's attempt, in that speech of his that was excellent in its construction, to say that we are voting against something for the poor. Really, John, how could you say that? I am sorry, Mr. Speaker, but really how could the Minister of National Health and Welfare say that of us?

[Mr. Knowles (Winnipeg North Centre).]

Mr. Munro: I would like to know what went on in your caucus.

Mr. Knowles (Winnipeg North Centre): The minister says he would like to know what went on in our caucus. I wish he had been there. He would have learned a few things.

Mr. Munro: I would like to know why you made the switch not to approve the bill on second reading.

Mr. Knowles (Winnipeg North Centre): I can tell the minister that there is another former Liberal who will be in our caucus next time, and she will enjoy it. What has to be realized is that it is possible for government to cope with this problem. It does not lie with the minister to say, as he tried to say today, that we are opposed to increased allowances for those at the bottom of the scale. We want family allowances to be increased even more than the minister proposes in this bill, but we want no strings attached.

We want unity, the kind of unity that comes from providing a decent standard of living for all our people. We believe this can be done. The time has come to say no to this regressive and restrictive measure. The time has come to strike out for a decent standard of living for all the people of this country.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I have already had the opportunity of expressing my views on Bill C-170. I would like however to make certain comments regarding the amendment before us which aims at postponing the consideration of the bill.

I have no hesitation about repeating my support of the bill which, I think, sets a commendable, justifiable and very advisable objective.

I have listened with a great deal of attention to the speech of the member of the New Democratic Party who has mainly outlined the birth of the Family Allowances Act in 1944. I should like to seize this opportunity to suggest to him that, for almost 30 years, many changes have been brought, and if today this government saw fit to bring major changes, I think that this is justified, considering the changes, of course, that we have had over the past 30 years.

I would also add, for instance, that I have read certain comments, among others those of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) who did not hesitate yesterday to say that the debate has already been extended, and that this delay affects millions of Canadians. I think he is perfectly right, if there is a genuine desire to assist, not only those who are in need, but also the whole population of Canada.

• (1730)

I was very interested to hear from the minister that 11 per cent of Canadian workers earn over $10,000. This means that the bill before us is geared directly to the have-nots and I feel that any comparisons we can make between the principle of universality and that of selectivity lead us to believe that the bill aims at giving more to those who really need it.

I fail to understand those who are supporting the principle of universality, according to which no change should be made to the present system. It is evident that the purpose is to narrow the gap between rich and poor and I, as representative of a population which also includes a percentage of poverty, feel it is my duty to defend not the government's position, but those people who are in the greatest need, which, after all, is mere common sense.

Of course I have on occasion not seen eye to eye with the government or certain colleagues. I believe what matters is to support sensible policies regarding the common welfare. I feel in duty bound to support the legislation right away and I invite other hon. members to expedite the matter so that those who have been waiting so long for these changes may benefit by them as early as possible.

I read the speech of the hon. member for Compton (Mr. Latulippe). He was in the House for quite awhile this afternoon. I regret that he is gone. I was very surprised to read, for instance, such stupid statements as he made yesterday when he mentioned that the government was more interested in subsidizing piglets which definitely belong to producers than in concerning itself with children. And he stated that the government had initiated a policy guaranteeing $5 per piglet, which is completely false. No grant is paid unreservedly to piglet producers. Everybody knows that the government has provided a $5 grant for hogs and that such a grant is limited to 200 hogs per producer.

I also note that he stated at a certain moment and I quote:

—50 per cent of the population is unemployed—

And he added later on:

Nearly 35 per cent of our population is now unemployed—

Such statements are nothing short of stupid and I wonder how a member of the Social Credit who often advocates redistribution of wealth from the rich to the poor can put forward such arguments and reject such a legislation which, in my opinion, is precisely aimed at providing increased benefits to the needy.

Mr. Speaker, now that election rumours are flying, each member is tempted to add a dash of electioneering spice to his comments and thus I ask myself how can we serve the community when we raise partisan issues.

As for that redistribution which the Creditists are so eager to carry out, such is the object of the bill now under consideration. As for the amendment, it is aimed at further delaying passage of the bill. On the contrary, I think that it is urgent to pass it, considering that the legislation has remained unchanged for almost 30 years.

However, I cannot say that this bill is absolutely perfect, but even if it has some defects it is better to pass it as soon as possible than to do nothing at all.

Some members say that those who are opposed to this measure will vote against the poor. It is too easy to argue that way if one considers the complexity of this bill, the difficulties that might be ahead for those who will be allowed to take advantage of it and it does not seem to me that those arguments may justify the rejection of this bill.

It is very easy to criticize and to make people think that this measure will be a mystery to them. I do not think that these arguments will convince people to refuse these very useful increases. It is clear that the families who need it most will definitely be protected under this legislation.

As members of parliament with a responsibility to society, we cannot but support this legislation. This does not mean that members of the House must remain quiet and accept it without saying a word. It is very desirable that each member express his concerns about this bill, but I cannot understand why anyone can object to legislation to assist a group of people in need. No member in this House can disprove this.

But to return to the election climate, we may be tempted by electioneering—as a matter of fact we have seen nothing else in this House for nearly a month—but I wonder to what extent, by so doing, we are serving the best interests of our society. Have we forgotten our duty?

The previous speaker, a representative of the New Democratic Party, mentioned the duty of the government and indeed of each and every one of the hon. members. When people talk about the Canadian government, they refer to those wise men who are responsible for the administration of this country's business. I assume that those who can hear the arguments of hon. members will realize their lack of interest in the collective good.

I know that according to our traditions, it is the role of the opposition to criticize the government. This is what members of the present government were doing when they were in the opposition. In my opinion, the Canadians have well understood this game of the system and this is why they have ceased to put their trust in parliamentary members who are indulging in this practice. In fact, this practice leads members to show greater concern for their political aims than for the well being of the people.

I am making these remarks because I share the feelings of those who are deeply disappointed at the attitude taken by certain members, merely bringing up arguments that will serve their political ambitions when, as we all know, more than a million families are waiting for this legislation that will enable them to get a supplementary income, long awaited and precious to them.

To what extent are we aware of this responsibility? When will the people be able to receive assistance from their representatives in the House, and that in a positive and objective fashion? Should we consider making some changes in the system, which would probably allow hon. members to express themselves more freely? We all know that there are awkward party policies. I never hesitated to say publicly that the party line often involves the conscience and the freedom of the member. But if these views are shared by some, I believe it is high time that certain changes be made in order that hon. members who support legislation that makes any sense at all may be able to do so without getting into any trouble.

• (1740)

Finally, I believe that the Canadian people want representatives who will defend a policy of good sense, representatives who will definitely show good sense in the interest of the community.

I say this because of some very favourable comments I made with regard to the legislation. An hon. member,

whether he be in the opposition or on the government side, must play a part in the interest of society. And, as long as the people's representatives are satisfied with making comments in order to delay the passage of a bill, to embarrass the government, or to make its work difficult they will continue to lose the confidence of the people and to serve the people badly.

In my opinion, the purpose of this bill is laudable, for it is designed to help those who most need it, and I do not think this can be denied. Of course, some provisions are disputable, some calculations need to be reconsidered, and I trust that at the committee stage some changes can be made to improve the bill. However, to oppose this bill designed to give more to those who most need it is, I feel, to be dishonest towards the class of needy people.

In my opinion, we should stop and think about this. If we consider this possibility, I do not think that arguments as stupid and weak as have been put forward hold. Any change involves difficulties.

But, Mr. Speaker, should we do nothing just because there are difficulties involved? I think we should be braver and more optimistic than some members are—and I want to say again that I am not talking in this way to try and save the government. I do not care whether the government is right or wrong; what matters to me is that it is introducing legislation which makes sense and which could help a class of people who really need it—and I am convinced that this legislation offers real advantages for those who most need help.

I feel, therefore, that we must be objective enough in our comments designed to improve the bill—but let us not try and unduly delay passing of this bill by proposing amendments which simply ask that consideration of the bill be deferred for an indefinite period, when we know very well that large families have for years been in neeed of an increase in family allowances.

Some members use arguments put forward in 1944 in favour of a universal system. This is the way the present family allowance system was conceived of at the time of its introduction. It was agreed to. I believe that those who introduced it 30 years ago were very clever people; that legislation was quite valuable and useful since it was accepted. However, taking into account the changes involved in the present context, where we admit that a number of people belong to the poverty group, we must act. Now, the government is introducing legislation designed precisely to give a little more to the group including the neediest people, and in that respect we are confronted with absurd and weak arguments probably prompted by election fever. I trust that the Canadian people who are closely following the progress of this legislation will not be influenced by such weak arguments since we know perfectly well that the requests of the less fortunate people are much more important than any possible electoral campaigning.

I shall end on these words: indeed, when shall we consider honestly enough the interests of the community? Indeed, when will we manage to behave as businessmen in the administration of the country, since its administration is our responsibility? Indeed, when shall we prove objective enough in this Parliament to get over partisanship in order to grant to millions of people the increased benefits they are expecting?

I would like to think that these few comments will not be interpreted as a mere expression of support for a party. On the contrary, I am making them in the belief that this is my responsibility. If certain governmental measures were wrong, I would not hesitate to convey my opinions to the government. But since I believe that this legislation aims at rectifying a situation that can no longer be tolerated, I think it is my duty, as a member for a riding which has its own share of poor people, to deal with this matter.

This legislation will put a label on a certain category of people, those in need, who are going to be so constrained as to end up begging for their allowances. I am sorry that we should be compelled in the present circumstances to create those distinctions. However, I believe it is better still to implement this legislation as soon as possible. This does not mean that the government should fold its arms and do nothing for the next thirty years.

On the contrary, I think that this legislation should be implemented as soon as possible so long as the government does not entertain the belief that he has nothing more to do to try and find new formulas that will improve it.

Thus, Mr. Speaker, I hope that we will soon proceed with the study of this bill in committee and finally reach this third reading stage, in order that those who are most in need could benefit still more of a legislation that will have been passed by responsible people in Parliament.

[*English*]

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I could not help noting the remark of the hon. member for Joliette (Mr. La Salle) when he suggested that although he regretted the fact that this bill provides selectivity, we should pass it. He said it is time we stopped thinking of what is contained in the bill, sent it to committee and passed it in the House so that those affected will know what is in it.

I am sure that anyone who does not belong to a political party which has a philosophy has no real concern about what happens in the House of Commons. People talk about political opportunists. The hon. member is in that category. He talked about sending this bill to committee in order for it to be improved. From his experience I am sure he realizes what little chance there is to do anything in committee when we have a government that is completely insensitive to the rights of Canadians.

In answer to the Minister of National Health and Welfare (Mr. Munro), the hon. member for Winnipeg North Centre (Mr. Knowles) made it very clear that we are not voting against the payment of $15 or $20 but against the type of administrative nightmare that will be created if this bill is passed in its present form. We listened to the minister. He said that something must be done to alleviate the situation now faced by people in the low income bracket. We agree that something must be done. However, when the minister talks about so-called vertical redistribution—I think that is the phrase—on a selective basis, that is not acceptable to the New Democratic Party nor is it acceptable to the majority of Canadians. If the minister

and the government would like to test the electorate on this issue and use it as something on which to go to the people, we are willing to withstand any type of criticism they may suggest with regard to our opposition to this bill. It has been said, and I think it bears repeating, that the type of bill we have before us indicates that the minister is not prepared to accept this type of assumption. It is a cruel hoax on the people of this country; it will divide our society as it has never been divided; our society will be divided into haves and have-nots.

The minister spoke about old age pensioners not being affected by this type of means test. He is not in touch with the people of this country. He cannot be reading his mail. The people of Canada do not like to be put on a selective basis. As the hon. member for Winnipeg North Centre stated, the bill introduced within the last two years was a type of omnibus bill; you had to vote for it in order for some people to receive benefits. However, the selectivity part of this bill is not needed and we have no intention of supporting that proposition.

The minister asked why we did not look at the issues when the previous bill was before us. He said they were essentially the same. So far in this House we have seen a game of musical chairs. When one minister gets into some trouble, the Prime Minister (Mr. Trudeau) appoints another minister to that portfolio. We never know what type of legislation will be introduced until second reading stage. This can happen with any legislation the Liberal government introduces into the House.

We thought that Liberal philosophy was somewhat concerned with the people of Canada but we have found it is no different from Conservative philosophy in so far as concerns recognition of the rights of the individual. It is time the people of this country realized there is not much difference between the Conservatives and the Liberals. This bill is a good indication of that fact.

About two years ago Canada had two major social security programs, the old age security and the family allowances programs. These programs were supposed to be universal in character, a right of the individual with no type of means test. It was ably brought out this afternoon that the old age security legislation providing for the 42-cent increase violated the principle of universal coverage. We now see that the bill before us is based on a means test. Payments are not universal; they will not be made as a matter of right. Surely the minister can appreciate the argument that these two pieces of legislation should be universal in their application rather than selective.

• (1750)

The government has abandoned the principle of universality and entered into the dark, suspicious, degrading, double-standard area of selectivity. There is no escaping the fact that under selectivity where will be a double standard, a degrading, suspicious area in which people will be assessed and documented in a computerized society. They will be subject to a means test, and there is really no need for such a test to be applied. We do not need to perpetuate a society composed of haves and have-nots, yet this is exactly what the legislation would do. A means test in this context is not only objectionable in itself; it is objectionable because it is burdensome in terms of administration. Many speakers on this side of the House have described the bureaucratic set-up which is involved, the administrative confusion which this bill will bring about.

As an illustration of the government's misguided thinking, let me refer to the attempt which is being made to deal with the problem of regional disparity. On one hand the President of the Treasury Board (Mr. Drury) is trying to insist on regional rates of pay in his negotiations with the Public Service Alliance; on the other hand the Minister of Regional Economic Expansion (Mr. Marchand) is spending millions of dollars trying to bring about a situation designed to eliminate regional disparities. In effect, the President of the Treasury Board is following the same principle as is contained in the bill before us. I use this as an analogy, one which throws light on this bill.

On one hand the government professes to abhor discrimination, but they are still applying discrimination between groups in the public service, on a geographical basis. A similar situation arises with respect to Bill C-170 where discrimination from now on will be shown when dealing with people who formerly were entitled as of right to the benefits of this legislation.

Even though there has been a rise in the cost of living amounting to 230 per cent since 1945, we could probably accept the minister's figures of $15 and $20 if these payments were distributed in the way they should be distributed. The minister says the bill is designed to rid the country of pockets of poverty. Will this, indeed, be the result or will it create a situation in which certain people are forced into a category from which they cannot escape?

I smile when I hear the Minister of National Health and Welfare say that people are not really concerned about knowing who receives what cheque or in what amount. I am sure he realizes that they are concerned about that, and to pretend otherwise is nonsense. We have all heard about the computerized society. I suppose many of us have read the book entitled "Future Shock." We know that today people are wondering exactly where they are going. They are beginning to realize that the system under which we are operating is a complete shambles. They realize they are becoming just numbers fed into a computer. They are faced with decisions of increasing complexity and are wondering how they can get out.

I understand that copies of the proposed new 1972 income tax return have been sent out to certain accountants for their observations and comments. I also understand that the 1972 tax return is red tape personified. There is no question that if one couples Bill C-170 with the 1972 income tax return, the only way in which those concerned will be able to work out what benefits they are entitled to receive will be to hire an accountant or a lawyer. If we suggest the principle of universal coverage and adopt the amendment which our party has introduced, we can at least escape the consequences of some of the rhetoric the minister has been using. As it is, the government appears to be showing no real concern for social justice or the equitable distribution of income in accordance with the social needs of our people. If time were available, I am sure we could continue for a long

time giving examples of what the government has done and has failed to do in this area.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, may I ask someone on the government side whether we can assume that if a certain event does not take place during our weekly night off we shall be continuing the debate on this legislation tomorrow.

Mr. Deachman: I understand we shall be continuing debate on this bill tomorrow.

At 6 p.m. the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, April 27, 1972

The House met at 2 p.m.

[*Translation*]

PRIVILEGE

MR. LAFLAMME—PROCEEDINGS IN PRIVILEGES AND ELECTIONS COMMITTEE

Mr. Ovide Laflamme (Montmorency): Mr. Speaker, I take the first opportunity to raise a question of privilege, as an hon. member and as chairman of the Committee on Privileges and Elections.

The House will recall that under an order of reference dated March 14 allegations concerning wiretapping and opening of mail of members of this House were referred to the Standing Committee on Privileges and Elections, of which I am chairman.

Further to this order of reference, Mr. Speaker, the committee held three meetings. Furthermore, the subcommittee on procedure made rulings and recommendations which were approved by all those present.

I now come to my question of privilege which is, in my opinion, a major one. Following the recommendations submitted by the subcommittee on procedure and approved by the committee, four of our colleagues had been invited to appear before the committee.

One of them, actually the hon. member for Yukon (Mr. Nielsen) who preferred not to appear before the committee, sent me, after this morning's sitting, a letter accusing me, as chairman of the committee, as bias—

Mr. Speaker: Order. I admit that the hon. member is coming to his question of privilege. However, I wonder whether he has taken into account the provisions of the Standing Order, whereby an hon. member should give the Chair written notice one hour in advance of his intention to raise a question of privilege.

Of course, when the question arises from proceedings in the House, no prior notice is required.

• (1410)

The hon. member should, I suggest, consider giving notice in writing after which the question of privilege could be raised by him in due course, either later today or tomorrow.

Mr. Laflamme: Mr. Speaker, I would respectfully suggest that the question of privilege, concerning me and the letter to which I refer was not at all considered by me as giving rise to a question of privilege.

Nevertheless, it is only a few minutes before the House met and some time after the letter was sent to me that I became aware—

Mr. Speaker: Order. I really feel it would be quite difficult for the Chair to consider the question of privilege now unless the specific provision of the Standing Order to which I referred, had been respected, i.e. that one hour's prior notice had been given to the Chair.

[*English*]

ROUTINE PROCEEDINGS

MANPOWER

TABLING OF CORRESPONDENCE WITH PROVINCIAL PREMIERS ON PROGRAMS

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, on behalf of the Prime Minister I should like to table under Standing Order 41(2) copies of correspondence with provincial premiers on the subject of manpower programs.

* * *

EXTERNAL AFFAIRS

APPOINTMENT OF JEAN-LOUIS GAGNON AS AMBASSADOR TO UNESCO—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, under Standing Order 43 I seek the unanimous consent of the House to move the following motion, seconded by the hon. member for Lambton-Kent (Mr. McCutcheon):

In view of the uncertainty and discredit that exists in Information Canada, this Canadian House of Commons regrets the appointment of the Director General of that department, Jean-Louis Gagnon, as ambassador to UNESCO in Paris before a full exoneration of his responsibilities.

Mr. Speaker: I have some doubts as to the acceptability of the hon. member's motion. It is in the form of a charge against a high official of the government. I may be wrong in my interpretation of the motion, and the hon. member is indicating by his reaction that my interpretation of his motion may be wrong. Perhaps it might be easier to put the motion. Hon. members know the procedure regarding accusations, charges or allegations made respecting senior officials of the government. The hon. member indicates that that is not the essence or the interpretation of the motion and I will therefore put it. The House has heard the motion proposed by the hon. member for Saint John-Lancaster. The motion is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

THE CANADIAN ECONOMY

REFERENCE OF ECONOMIC REVIEW TO COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David Lewis (York South): Mr. Speaker, I rise to move a motion under Standing Order 43. My statement of explanation of this motion is very brief. The motion is made necessary by the fact that the Minister of Finance tabled on Tuesday a document entitled "Economic Review" which in the past preceded a budget so that its contents could be analysed and debated during the debate on the budget. This time that may not be possible because so far the minister has not indicated an intention to present a budget. I therefore move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the document entitled "Economic Review" tabled by the Minister of Finance on Tuesday, April 25, be referred to the Standing Committee on Finance, Trade and Economic Affairs for study and report to the House.

Mr. Speaker: The House has heard the motion proposed by the hon. member for York South under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

TRANSPORT AND COMMUNICATIONS

On the order: Motions.

Mr. Skoberg:

That the First Report of the Standing Committee on Transport and Communications, presented to the House on Thursday, March 16, 1972, be concurred in.

He said: Mr. Speaker, if I may have unanimous consent to withdraw this motion I should like to do so. After all, the dates for the hearings in southwestern Ontario expired earlier in April and the motion will serve no useful purpose at this time.

Mr. Speaker: Is there unanimous consent for the hon. member to withdraw his motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

[Mr. Speaker.]

MOTION TO ADJOURN UNDER S.O. 26

POWER

EFFECTS OF JAMES BAY HYDROELECTRIC PROJECT

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I rise to move under Standing Order 26 that the House do now adjourn for the purpose of discussing a specific and important matter requiring urgent consideration. The particular matter concerns the federal involvement in the James Bay hydroelectric development project of the province of Quebec and particularly (a) interference with and relocation of Indians; (b) altering the course of navigable waters protected under the Navigable Waters Protection Act, and (c) effects upon the total Canadian environment.

If leave is given, Mr. Speaker, I propose to move the foregoing motion.

Mr. Speaker: The hon. member for Parry Sound-Muskoka has given the Chair the notice required by Standing Order 26 which has provided the Chair with an opportunity to give serious consideration to the hon. member's proposed motion.

The Standing Order sets out criteria which have to be taken into account in determining whether such a motion can be put. Specifically, the motion must relate to an important matter requiring urgent consideration. The numerous questions asked yesterday and during the last few days by members on both sides of the House, and the information given by the minister in reply to those inquiries, indicate that in the view of many members the problem is one which does require urgent consideration. Whether there might be some other opportunity for debate at an early date is difficult for the Chair to determine, particularly in light of current circumstances.

While I am not absolutely convinced that all the requirements of section 16 of the Standing Order have been met, because of the obvious importance of the matter and the equally obvious interest of so many members I am inclined to give the hon. member the benefit of the doubt. While I am disposed to grant the motion, I have to take into account the relative importance and urgency of the business which the government has called for consideration later today. The rules give the Chair some discretion in the timing of a debate under the Standing Order. I propose, therefore, to have consultations later and announce before five o'clock whether the debate should take place this evening at eight or tomorrow at two o'clock in the afternoon.

Subject to this reservation, the Chair will inquire whether the hon. member has leave to put this motion.

Some hon. Members: Agreed.

Mr. Speaker: Pursuant to section 9 of the Standing Order, the proposed motion will stand until either later today or tomorrow.

• (1420)

ORAL QUESTION PERIOD

HOUSE OF COMMONS

REQUEST FOR CATEGORICAL STATEMENT ON DATE OF GENERAL ELECTION—GOVERNMENT LEGISLATIVE PRIORITIES PRIOR TO DISSOLVING OF PARLIAMENT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Acting Prime Minister. As a result of the uncertainty which prevails in the country because of the cat-and-mouse game which the Prime Minister is playing by inflaming the four-year election itch, will the hon. gentleman consult with the Prime Minister as to making a categorical statement concerning the date when a general election will be held in this country?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, a general election has to be held before our term here expires. Other than that, of course it is a well known prerogative of the Prime Minister to call an election when it is in the public interest to do so.

Mr. Baldwin: As, allowing for budget and supply days, there are only 28 days for debate on government measures before the end of June, is it the policy of the government to announce its priorities and intentions as to the legislation it wishes to have completed before this parliament ends so that the uncertainty in the country may be at least in part dissipated?

Mr. Sharp: Yes, the government has certain priorities. These will appear in the next few days and I am sure will clarify all the doubts that may be in the hon. gentleman's mind.

Mr. Baldwin: Mr. Speaker, in light of the fact that the government has brought in less than two-thirds of its announced legislation in the last two sessions and the record for this session is even worse, will the government, with the assistance of the opposition, try to improve upon this appalling and atrocious record of incompetence and indecision?

Mr. Speaker: Order, please. That question, of course, is not in order.

EXPECTED DATE OF PRESENTATION OF BUDGET

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I ask the Minister of Finance whether the list of priorities the government has for its legislation includes any budgetary measures, including a budget debate?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I expect to present a budget in the House on the evening of Monday May 8.

Mr. Baldwin: You got smoked out. It took a lot of pushing.

Inquiries of the Ministry

THE CANADIAN ECONOMY

REQUEST FOR EXPLANATION OF STATEMENTS IN ECONOMIC REVIEW RESPECTING PRODUCTIVITY AND CAPITAL INVESTMENT AND COMPARISON OF UNEMPLOYMENT FIGURES

Mr. David Lewis (York South): Mr. Speaker, I do not know whether or not the minister's expectation will be realized but that remains to be seen. He is keeping a very straight face. I should like to ask the Minister of Finance some questions which I hope you will permit, Mr. Speaker, arising out of the economic survey he tabled last Tuesday. First would he inform the House on what basis he states in his one and half page sketch of prospects for 1972, the shortest chapter in the book, that he expects productivity to go down in 1970 while in the same brief sketch on the preceding page he expects capital investment to be mainly in machinery and equipment usually acquired to improve productivity?

Hon. John N. Turner (Minister of Finance): Well, Mr. Speaker, I wonder whether the hon. member would now be patient and wait until the early days of May.

Mr. Lewis: Mr. Speaker, apparently the answer has not yet been prepared for the minister. May I ask him—

Mr. Speaker: Order, please.

Mr. Lewis: May I ask him a supplementary question.

Mr. Speaker: The hon. member is recognized for the purpose of asking a supplementary question.

Mr. Lewis: Mr. Speaker, may I ask the Minister of Finance the following question. In view of the fact that Table 8 on page 48 indicates that government revenue and expenditure for all levels of government showed a surplus of more than $900 million in 1971 and almost $1,300 million in 1970, would the minister inform the House what he meant by the statement on page 47 of that document that these figures showed—I am using his words—a "cumulative movement toward deficit"?

Mr. Speaker: I have very serious doubts regarding the acceptability of a question of this kind. It obviously invites debate rather than seeking information. I would think that normally the minister, if he were expected to answer a question of this kind, should do so by way of a statement on motions or under other circumstances.

Mr. Lewis: Mr. Speaker, I will try asking another supplementary question. This question arises out of tables dealing with unemployment in the document to which I have referred. Can the minister inform the House why he chose 1969 as the base year with which to compare present unemployment in view of the fact that in 1969 unemployment was 4.7 per cent, and does this mean that the government considers 4.7 per cent as an acceptable level of unemployment?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, it does not at all. Surely these points are debating points that could be dealt with in the budget debate.

Inquiries of the Ministry

PROVINCIAL BORROWINGS IN UNITED STATES—STEPS TO LOWER CANADIAN INTEREST RATES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my supplementary question to the minister arises out of his Economic Review. In view of the fact it shows that the increase in jobs arising out of manufacturing has been only 5.5 per cent since 1967 compared with 26.6 per cent in 1961 to 1966, is the minister proposing to introduce any measures that will stimulate the manufacturing sector in order to produce jobs rather than the major concessions that have been made to the extraction industries which have provided relatively few jobs?

Mr. Speaker: Order, please. Again I suggest to the hon. member that the considerations I have indicated as applying to the supplementary questions asked by the hon. member for York South apply to the question asked by the hon. member now. It seems to me that all this information should normally be given by way of a statement.

Mr. Douglas: May I ask the minister a very simple question. In view of the fact the province of Ontario is now borrowing $100 million in the United States market and several other provinces have been forced to go to that market in spite of the admonition issued to them by the minister's predecessor, and in view of the fact this is because interest rates are higher in Canada than in the United States, is the minister proposing to take any steps through the Bank of Canada or by consultation with the banks and finance companies to lower interest rates in Canada as has been done in the United States?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the request of my predecessor to the provinces and municipalities to seek their requirements in the Canadian market where possible was repeated by me when I was at the federal-provincial meeting of finance ministers in Jasper. Both the province of Ontario and the province of Quebec particularly have been keeping in close touch with me and the Bank of Canada regarding their borrowing requirements, and we have again impressed upon them the advisability, if they can, of seeking accommodation in the Canadian market.

As for the second part of the question, I am of course in regular touch with the governor of the Bank of Canada and I am watching interest rates.

REAL GROWTH RATE PROJECTION OF DEPARTMENT OF FINANCE—RATE INDICATED BY ECONOMIC COUNCIL AS NECESSARY FOR FULL EMPLOYMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should point out in all fairness that my question is not supplementary to the last question but rather—

Mr. Speaker: In that case, perhaps I might recognize the hon. member in a short while. For the moment, the Chair in fairness should recognize the hon. member for Shefford if his question is supplementary—the hon. member for Hamilton West.

Mr. Alexander: With further reference to the Economic Review tabled by the government, the following statement appears therein:

[Mr. Turner (Ottawa-Carleton).]

It is expected that real growth will continue to surpass its trend rate through 1972.

• (1430)

Can the minister inform the House whether he is aware of the specific real growth rate projection of the Department of Finance and, if so, would he kindly tell the House what it is?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that might be one of the matters I should properly deal with on the night of May 8.

Mr. Baldwin: You will be pretty busy that night.

Mr. Alexander: Let us see if we can try this another way, Mr. Speaker. As I understand it, the Economic Council has indicated that we require an annual real growth rate of between 6½ per cent and 7 per cent to get unemployment down to around full employment by 1975. Do the minister and his department accept that proposition handed down by the Economic Council of Canada?

Mr. Turner (Ottawa-Carleton): That is a forecast of medium and long-term growth, Mr. Speaker, and certainly we pay a great deal of attention to the Economic Council of Canada. I shall say more about it on budget night.

GOVERNMENT POSITION RESPECTING UNEMPLOYMENT AMONG YOUNG AND SINGLE PEOPLE

Mr. Derek Blackburn (Brant): Mr. Speaker, I wish to direct a question to the Minister of Finance. With reference to the appendix in the Economic Review entitled "Some Facts About The Unemployed", could the minister explain the rationale behind the table seeking to show that only about one-third of the unemployed are heads of families, and similar information? Does this mean the government considers that unemployment among unmarried and young Canadians is socially less serious?

Mr. Speaker: Order, please. Again I have very serious reservations about a question of this nature at this time.

SUGGESTED ACTION TO STABILIZE CANADIAN DOLLAR BELOW PAR

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the present value of the American dollar vis-à-vis the Canadian dollar, is the minister taking any direct action or using his good offices to try to make arrangements to stabilize our dollar somewhere below par?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I cannot say any more at this stage except that I am watching the exchange rate very closely.

Mr. Nesbitt: Is the minister aware of the problems this is creating for a great many secondary industries in Canada, particularly those engaged in the manufacture of automobile parts?

Inquiries of the Ministry

[*Translation*]

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS TO CANADIANS WORKING IN UNITED STATES—CO-OPERATION BETWEEN CANADIAN AND AMERICAN AUTHORITIES

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

Since Canadians working in the U.S. are experiencing difficulties in getting their unemployment insurance benefits, would the minister say whether the officials of the Canadian unemployment insurance offices are getting excellent co-operation from those of the various American states in order to solve this problem?

[*English*]

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, that question should more properly be addressed to my colleague, the Minister of Manpower and Immigration. I will undertake to draw it to his attention and get an answer for the hon. member.

* * *

FLOODS

CARROT RIVER, SASKATCHEWAN—POSSIBLE DECLARATION AS DISASTER AREA AND OPENING OF SPECIAL QUOTAS FOR GRAIN FARMERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question to direct to the Minister of Agriculture but in his absence I will direct it to the acting minister. As a result of the flooding of the Carrot River and the very severe damage reported in the area, are on-the-spot inspections being carried out by someone from the department, or by the minister who is on a pilgrimage to the west and perhaps could be diverted to observe the area personally, with a view to declaring it a disaster area so that federal assistance might be given to the people affected?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, if I understand the matter aright, the question of whether the federal government should give assistance in such cases depends upon whether the province asks for assistance in dealing with an emergency. I understand that the provincial co-ordinator under the Emergency Measures Organization is on the spot and that we will have a report soon.

Mr. Korchinski: Mr. Speaker, I wish to direct a supplementary question to the minister responsible for the Wheat Board. If the reports indicate that the severe flooding has damaged grain in storage, would the minister consider the possibility of opening up special quotas for the people affected in order to salvage whatever grain may already be partially damaged by allowing them to make special deliveries?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the hon. member should know that this is a matter within the jurisdiction of the Canadian Wheat Board, but I will certainly bring it to their attention. In previous cases they have taken such action.

YOUTH

ACTION ON TASK FORCE RECOMMENDATIONS—REFERENCE OF REPORT TO COMMITTEE—SUCCESS OF INDUSTRIAL REFERRAL GROUP RESPECTING OPPORTUNITIES FOR YOUTH PROJECTS

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct a question to the Secretary of State. With regard to the task force report on youth which was tabled almost a year ago and dealing as it does with recreational, social and manpower policies with respect to young Canadians, can the minister indicate any progress on the recommendations in the report, and when we may expect legislation or some action of another nature?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, this question is under consideration by certain government committees and I am in no position to say today when the government will be prepared to state its position concerning this report.

[*English*]

Mr. MacDonald (Egmont): In view of the importance of the recommendations and the length of time since they were published, is the minister prepared to have the report referred to a standing committee of the House so that the report and its recommendations may be examined before any legislation or policies are enunciated by the government?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I am not opposed to the consideration of that report by a standing committee of the House, if such a committee wishes to do so.

[*English*]

Mr. Speaker: The hon. member for Oshawa-Whitby.

Mr. MacDonald (Egmont): Mr. Speaker—

Mr. Speaker: Order. Perhaps we might try to terminate this subject and allow the hon. member for Egmont to ask another supplementary. Then the Chair will recognize the hon. member for Oshawa-Whitby.

Mr. MacDonald (Egmont): Mr. Speaker, I direct this question to the Secretary of State. With regard to the series of questions I have asked in the past few weeks with respect to the present employment situation of young people and the final approval of roughly 3,000 Opportunities for Youth projects, can the minister indicate today or in the near future the success of the industrial referral group with some 16,000 projects that will not be funded under OFY and the number that might be picked up by the private sector or other levels of government?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I think I should be able to give the hon. member an answer in this respect within two or three weeks.

Inquiries of the Ministry

[*English*]

TRADE

AUTO PARTS—ALLEGED INHIBITING OF EXPORTS TO UNITED STATES BY STRICT ENFORCEMENT OF U.S. CUSTOMS REGULATIONS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the fact the minister denied the accuracy of a suggestion I made a few weeks ago about the strict enforcement of customs regulations by United States customs officials, in terms of inhibiting the export of Canadian automotive parts to the United States, and in view of the further fact that yesterday in Windsor the executive vice-president of the Canadian Automotive Parts Manufacturers' Association, Mr. Wood, stated, "the enforcement of these procedures is inhibiting purchases of automotive parts from Canada," I wonder whether the minister is now in a position to comment on this situation? Are American officials or are they not inhibiting the export of Canadian automotive parts to the United States by work to rule or overzealous enforcement of the tariff regulations of that country?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I stand behind what I said at the time. A further investigation was carried out more recently into that subject, which again confirmed what I said in the House at the time. I will consult with Mr. Wood and ask precisely what he has in mind and report to the hon. member accordingly.

Mr. Broadbent: Would the minister also consult with Mr. Wood concerning his contention that American parent firms of Canadian subsidiaries in the auto parts sector of the industry are apparently putting pressure of some sort on the Canadian subsidiaries to restrict them from gaining access to export markets for this industry?

Mr. Pepin: Mr. Speaker, I like the use of the word "apparent". The hon. member is becoming more cautious in his questions nowadays. We checked sometime ago on that particular issue of whether some pressure was being exercised on them and the report proved to be not well-founded. On the general situation of the auto parts industry my information from well informed sources is that the industry is witnessing a very good trend at the moment, as good as last year but not as good as next year if forecasts of automobile purchases prove to be true.

* * *

• (1440)

[*Translation*]

FAMILY INCOME SECURITY PLAN

FAMILY ALLOWANCES—AGREEMENT BETWEEN OTTAWA AND QUEBEC—EXERCISE OF LEGISLATIVE POWER BY PROVINCES

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare.

Recently, the Premier of Quebec announced that this government and the government of Ottawa were prepared to sign an agreement concerning family allowances. I would like to know whether in that agreement the federal government has recognized Quebec's primacy as far as family allowances are concerned.

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the arrangement has not dealt with the concept of primacy or otherwise. It has been a co-operative endeavour to reconcile the priorities that Quebec feels it has under the family allowance structure with the main thrust of the federal legislation. I am very hopeful that the agreement will be concluded shortly.

[*Translation*]

Mr. Asselin: Mr. Speaker, I rise on a supplementary.

Could the minister tell the House whether provinces other than Quebec want to avail themselves of the privilege that will be granted to Quebec in relation to family allowances?

[*English*]

Mr. Munro: No, Mr. Speaker. No other province has specifically indicated yet that it intends to take advantage of the option. Some are looking at it and studying it but they have not come to any firm conclusions.

* * *

INDUSTRY

DOMINION AVIATION—REASON FOR DELAY IN DECISION ON DEVELOPMENT GRANT

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce based on his reply to a question asked by the hon. member for Peace River on March 16 which appears at page 883 of *Hansard* with regard to a request from Dominion Aviation for a development grant. Since this company has resubmitted its application by government request, can the minister indicate why there has been a further six-weeks delay in reaching a decision?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am sorry, I do not know, but I will investigate and report.

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PUBLIC SERVICE

PROVISION OF GUIDELINES FOR EMPLOYEES WISHING TO PARTICIPATE IN POLITICS

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, my question is addressed to the Acting Prime Minister. In view of the first report of the committee on Broadcasting, Films and Assistance to the Arts on the case of Anne Booth and the Public Service Commission, can the Acting Prime Minister indicate what action the government or Treasury Board or the Public Service Commission is now taking with a view to providing guidelines so that public servants who wish to participate in politics will know whether they will be permitted to do so?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this whole matter is the subject of very serious consideration by the government.

* * *

COMMUNICATIONS

TRANSPORT COMMISSION STUDY OF BELL CANADA STRUCTURE—SUGGESTED DEFERMENT OF COMPANY RATE INCREASE APPLICATIONS

Mr. Arnold Peters (Timiskaming): I have a question for the Minister of Communications, Mr. Speaker. Is the minister aware of the statement made by his counterpart in Ontario who indicated that there would be a federal inquiry by the Canadian Transport Commission into the Bell structure? If this has been set up, when are the hearings going to be held?

Hon. Robert Stanbury (Minister of Communications): Mr. Speaker, some weeks ago the Canadian Transport Commission announced a study somewhat along the lines mentioned by the Ontario minister. I think the details of it are of public record.

Mr. Peters: Would the minister, who is responsible for that section of the Canadian Transport Commission's decisions that affect communications, give consideration to delaying the two or three applications that Bell now has before the commission for rate increases until this inquiry is conducted?

Mr. Stanbury: I might, Mr. Speaker, except that the minister does not have authority to delay any such consideration.

Mr. Peters: May I ask the minister, who represents members of parliament in dealing with the commission, whether he will convey to the commission the request made in Ontario and the request being made now by members of parliament to have these rate increases delayed until the conclusion of that inquiry?

Mr. Stanbury: Mr. Speaker, I think it should be clear, unless I am mistaken, that the minister in Ontario did not request a delay in any consideration of existing applications, but I will be glad to convey the suggestion of the hon. member to the chairman of the CTC.

BELL CANADA RATES FOR PRIVATE LINE CONSTRUCTION

Mr. W. C. Scott (Victoria-Haliburton): I have a supplementary question, Mr. Speaker. When the minister is making this inquiry would he also inquire into Bell rates for private line construction to customers who have to build lines under the supervision of Bell?

Hon. Robert Stanbury (Minister of Communications): Again, Mr. Speaker, this comes under the authority of the Canadian Transport Commission. The authority was given to them by parliament. I would be glad to draw the hon. member's inquiry to the attention of the chairman of the CTC.

[*Translation*]

HOUSING

FEDERAL ASSISTANCE FOR REHABILITATION OF HOMES

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs.

Would the minister indicate whether the statement published in the *Globe and Mail* of April 11 is correct concerning loans and grants for house renovation by the federal government?

Mr. Speaker: The hon. member knows that he cannot ask the minister to say whether a statement published in the press is correct. Perhaps the question could be considered as having been put directly to the minister and the minister may reply to the hon. member for Compton if he wishes.

Mr. Latulippe: Mr. Speaker, a supplementary.

Mr. Speaker: Order. I suggested that the minister might answer the first question. The hon. member can put his supplementary when the minister has done so.

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Well, Mr. Speaker, the question, put directly, was answered directly and fully last Tuesday. Proposals have been submitted for discussion purposes to the provinces relating to a number of areas of the National Housing Act and we are consulting with them for the purpose of developing a legislative policy which will be introduced in the House.

[*Translation*]

Mr. Latulippe: Mr. Speaker, I should like to put a supplementary question.

Would the minister tell us whether it is also true that federal funds will be allotted municipal projects in the form of bonds instead of mortgages?

[*English*]

Mr. Basford: No, Mr. Speaker.

* * *

HEALTH

SUMMER OPERATION OF MEDICAL SCHOOLS TO OFFSET SHORTAGE OF DOCTORS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. In view of the minister's recognition of the great need for more doctors and his paramedical services scheme, will he inform the House what provision he has made to operate Canadian medical schools this summer?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as I have told the hon. member and as I am sure he is well aware, the operation of medical schools is not within federal jurisdiction but is under provincial control. If anything can be done to increase the output of doctors in our communities

through our medical schools, we naturally hope the provinces will take whatever action is necessary.

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EXTERNAL AFFAIRS

NEGOTIATIONS WITH FRANCE RESPECTING CONTINENTAL SHELF—EXPLORATION LICENCES

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Secretary of State for External Affairs. During the course of the negotiations with France regarding their claims to the continental shelf, has any arrangement been made with that country with respect to the granting of licences for exploration on the continental shelf?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, no arrangement has yet been made with France; everything is under negotiation.

Mr. McGrath: May I ask the minister whether he is aware of any French initiatives in this regard to grant licences for oil exploration on that part of the continental shelf which is claimed by France?

Mr. Sharp: Mr. Speaker, I would not be surprised if this is something that the French government would like to obtain but, as I say, everything is under negotiation.

NEGOTIATIONS WITH FRANCE RESPECTING CONTINENTAL SHELF—SUGGESTED INCLUSION OF PROVINCES IN CONSULTATION AND DISCUSSION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a supplementary question. In view of the continuing efforts to resolve the question of jurisdiction, whether it is provincial, federal or joint, can the minister indicate whether the provinces have been informed about the negotiations with France and, if not, will he give an assurance that the provinces will be taken into the confidence of the federal government and made part of the process of discussion?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I do not think there should be any doubt about it that it is the government of Canada that has the responsibility for negotiating with foreign countries. We do consult from time to time with interested parties and I am sure we will have the necessary consultation, but the responsibility is ours.

* * *

HEALTH

POSSIBLE DANGER FROM AMOUNT OF LEAD IN GERMAN STONEWARE CUPS AND PLATES AND CADMIUM IN JAPANESE ENAMELWARE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the recent report that the United States Food and Drug Administration has ordered the recall of certain stoneware cups and plates manufactured by Ceramano-Keramik of West Germany because this particular Surf Blue pattern contained up to 44 times the amount of leachable lead allowed under its federal standards, and in view of the fact that certain Japanese enamelware was found to contain from 20 to 100 times the cadmium allowed by U.S. standards, I would ask the minister whether his department has investigated the possibility of these products being sold in Canada and, if so, do they violate Canadian standards?

• (1450)

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I am not aware of the action taken by the department in this particular instance other than to say that the department is in constant communication with what is going on in the United States. If this report has come out I am sure they are looking into whatever implications it may have as far as Canada is concerned. I can give the hon. member more particulars, perhaps later today or tomorrow.

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FINANCE

PROVISION IN BUDGETARY DEFICIT FORECAST FOR 1971-72 FOR ANTICIPATED DEFICIT IN UNEMPLOYMENT INSURANCE FUND

Hon. Paul Hellyer (Trinity): Mr. Speaker, I have a question for the Minister of Finance of which I have given him notice. In the budgetary deficit forecast for 1971-72 in the Economic Review released a few days ago, what provision, if any, has been made for the anticipated deficit in the unemployment insurance fund?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I want to thank the hon. member for his courtesy in having sent me notice. The explanation is that with the coming into force of the Unemployment Insurance Act in 1971, the unemployment insurance fund was succeeded by the unemployment insurance account. Any short-fall in this account is supported by a working capital advance. The provision of $325 million for the deficit in this account is shown in Table 61 under the heading, Other Non-budgetary Transactions, on page 145 of that review.

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COMMUNICATIONS

PROVISION OF TELEPHONE AND TELEVISION SERVICES IN NORTHERN NEWFOUNDLAND—ALLEGED DELAY IN PROVISION OF TELEVISION SERVICE BY CBC

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of Communications. In view of the many pronouncements by the government directing a new vision to northern Canada in the seventies, particularly with regard to communications, can the minister advise the House when the citizens of northern Newfoundland will receive the normal fundamental and basic communications associated with telephone and television coverage?

Hon. Robert Stanbury (Minister of Communications): Mr. Speaker, there is an extensive study into that very subject going on now with the co-operation of communications carriers. I am glad to tell the hon. member that it is proceeding well. I will be glad to share with him the information that comes out of it when it is available.

Mr. Marshall: I wish to direct my supplementary question to the Secretary of State. In view of the fact it has been indicated that 98 per cent of all Canadians will have radio and television communication within the next two or three years, will the minister investigate the evident deliberate delays by the CBC in promised television coverage for northern Newfoundland?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I can ask the CBC and convey the answer to the hon. member.

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[*English*]

FINANCE

PAYMENT OF INTEREST TO CLAIMANTS OF DORMANT BANK ACCOUNTS NOW WITH BANK OF CANADA

Mr. Bill Knight (Assiniboia): Mr. Speaker, my question is for the Minister of Finance. In view of the announcement by the Department of Finance that the Bank of Canada will be handling the small accounts in private banks that have not been touched since 1962 and which total a little over $1 million, can the minister inform the House whether interest on these accounts will be included for those who apply for and receive the unused money in these accounts?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, perhaps the hon. member will allow me to take that question as notice and I will get back to him.

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POWER

JAMES BAY HYDROELECTRIC PROJECT—GOVERNMENT POSITION ON HUNTING RIGHTS OF INDIANS FOLLOWING TRANSFER OF LANDS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, may I recall to the attention of the Minister of Justice a question I asked him about the James Bay area of Canada on March 3 in relation to aboriginal rights in the territories under the terms and conditions whereby those territories were transferred to the provinces. In view of the fact the minister said he would take this question as notice, will he take advantage of the opportunity to make a statement on this very important matter during the course of the discussion which I understand will take place either later today or tomorrow?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, I am sure others of my colleagues who have direct responsibility for dealing with the substantive matters involved will be intervening in the debate. I do not think it would be proper for me to comment on whatever legal advice may have been given to my colleagues in this connection.

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UNITED NATIONS

GOVERNMENT SUGGESTIONS RESPECTING REVISION OF CHARTER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs with regard to the forthcoming visit of the Secretary General of the United Nations. Does the government have any suggested revisions to the United Nations charter and will these be given some publicity prior to the visit of the Secretary General? Does the minister have in mind any suggestions with regard to revision of the charter?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. The subject of charter revision is now under consideration in the department. Before the time expires, I will be presenting our views on the subject to the Secretary General. The hon. member knows that the prospects of substantial charter review are almost nil because most of the great powers and most of the underdeveloped countries in the world are opposed to revisions in the charter of the kind that have often been suggested to me. However, we will be putting forward what we think are practical proposals in this direction. I do not think, however, that this will be a main subject of discussion with the Secretary General when he is here.

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WATER RESOURCES

STATEMENT BY U.S. SENATOR RESPECTING AGREEMENT BY CANADA, UNITED STATES AND MEXICO ON CONTINENTAL WATER POLICY—INQUIRY AS TO DISCUSSIONS

Mr. David Lewis (York South): Mr. Speaker, my question is for the Acting Prime Minister, either in that capacity or in his capacity as Secretary of State for External Affairs. In view of reports emanating from Washington this morning that Senator Frank Moss stated that Canada, the United States and Mexico are close to an agreement on a continental water policy, may I ask the Acting Prime Minister whether negotiations on this subject among the three countries or between two of the three countries have in fact taken place and whether the reported statement by Senator Frank Moss has any validity in negotiations or discussions among the governments?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am quite unaware of any discussions or negotiations of any kind between Canada and the United States having to do with water. I do not know what is going on between the United States and Mexico, but I can assure the hon. member that the statement he has quoted to me is completely without foundation.

Mr. Lewis: I hoped that would be the answer. May I ask the Acting Prime Minister whether he will look into the

statement made by the senator, see exactly what he was driving at and let members of the House know the source of that statement?

Mr. Sharp: Yes, Mr. Speaker, I will be prepared to do so. It may be something the senator would like to see happen.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—ACTION ON RECOMMENDATIONS BY MEMBERS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Parliamentary Secretary to the Secretary of State. Has any action been taken as a result of the letters that were forwarded to him prior to April 13 with regard to the Opportunities for Youth program or was this simply an exercise in futility and the recommendations of hon. members were not considered at all?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): I am sorry, Mr. Speaker, I did not get the full import of the question. Maybe I could consult with the hon. member on it afterward.

Some hon. Members: Oh, oh!

Mr. Korchinski: May I repeat the question, Mr. Speaker. Was any action taken as a result of the recommendations of members of parliament which were forwarded to the parliamentary secretary's office prior to April 13 on the Opportunities for Youth program or was this simply an exercise in futility and these recommendations were completely disregarded?

Mr. Faulkner: Mr. Speaker, it was not an exercise in futility.

Mr. Korchinski: Will we be receiving replies as a result of these recommendations?

Mr. Faulkner: Mr. Speaker, where a member of parliament is anxious to have an explanation as to why a project was accepted or rejected, we will have the facilities to provide that explanation.

Mr. Korchinski: May I ask the parliamentary secretary from what source we can get this information because I have tried the special liaison office and also his office in order to get some kind of reply. To date I have not received a reply and I do not know who is on the selection committee.

Mr. Speaker: Order, please. We have just about reached the end of the question period. The Chair will recognize the hon. member for Yorkton-Melville.

[Mr. Lewis.]

PENSIONS

POSSIBLE AMENDMENT OF OLD AGE SECURITY ACT AND CANADA PENSION PLAN TO PERMIT RETIREMENT AT AGE 60

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of increasing concern and the representations by many Canadians in relation to early retirement, I should like to ask the minister whether he is considering amending the Old Age Security Act and the Canada Pension Plan so that people who so desire may retire at the age of 60?

Hon. John C. Munro (Minister of National Health and Welfare): We have had under consideration the general principle of encouraging earlier retirement but we have reached no conclusions as to how it should be done or what particular program should be amended.

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, Mr. Speaker, may I ask the leader of the House to tell us the business for the rest of this week and next week, bearing in mind that there will be consultation with regard to the business for later today or tomorrow, as the Chair has suggested?

Mr. MacEachen: Today we shall continue the debate on the item now before the House. This will be followed by the amendments to the Criminal Code, Bills C-2 and C-6. After that we would take up Bill C-5, the Farm Credit Act and the explosives measure, Bill C-7. The order may be subject to negotiation.

Mr. Baldwin: In light of the announcement made by the Minister of Finance, can the hon. gentleman undertake that the House will be able to hold the usual budget debate prescribed by the rules and that there will be discussion between the parties, bearing in mind that the budget will be brought down on Monday evening, as to the dates when the debate will follow?

Mr. MacEachen: I shall do my utmost to meet the requirements of the rules in that connection.

Some hon. Members: Oh, oh!

• (1500)

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed, from Wednesday, April 26, consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs, and the amendment thereto of Mr. Lewis (p. 1448).

Mr. Derek Blackburn (Brant): Mr. Speaker, I sat here yesterday afternoon while the Minister of National Health and Welfare (Mr. Munro) attempted to assert that the NDP was opposed to measures taken to assist financially the poor people of this country. This contention was refuted by the hon. member for Winnipeg North Centre (Mr. Knowles), in my opinion very effectively. It is, therefore, not my intention today to go into any great detail in connection with the debate which took place yesterday.

At the outset, I wish to make it clear that not only are we in favour of this bill as far as the money aspect is concerned—the amounts which will be directed to low income families—but we wonder why that amount is not greater. This is one of our basic criticisms. Since 1945 inflation has eroded the value of the dollar by more than half. To be more precise, $15 at the present time buys what $6 bought in 1945; $20 now buys what $8 bought in 1945. So, we are really not giving any more; we are simply catching up with the purchasing power of the dollar, and this is something which should have been done years ago.

There is a further point I should like to make. It is that the bill before us provides for the replacement not only of the Family Allowances Act but of the Youth Allowances Act. This, I feel, is somewhat of a tragedy. I have been informed that Canada is the first nation operating a family allowance program to cut off families from benefits and to introduce the regressive principle of payment according to family income. More than 60 nations operate such programs, including every industrial nation except the United States, and undoubtedly this one hold-out has influenced the more colonial-minded of Canada's elite. Almost all these nations have dramatically increased payments over the past decade. Sweden, the first nation to introduce family allowances, now pays $250 a year with respect to each child; the United Kingdom increased its payments by 150 per cent in 1967 and 1968. Hungary has raised family allowances to $48 a month in respect of all children aged seven and under, having found it was cheaper to pay women to remain home to care for their own children than it was to care for them in government day nursery institutions. And this is in a nation where $100 a month is a good wage.

I should like to address myself, now, to what I consider to be some of the built-in problems which will arise once this bill becomes law. It takes little imagination to think of cases where neighbours who view themselves as in approximately the same financial circumstances will resent their allowances being cut off or be embarrassed by their continuance. This is at the neighbourhood level. Cashing the family allowance cheque in the drugstore or grocery store, where the number of children in the family is known, together with their approximate ages, will amount to a public declaration of family income. Sessions at which parents calculate family income, especially among the working class, may well be traumatic occasions causing internal family resentment. It may well be that the calculation of family income is a socially desirable aspect of the bill, but along with a number of other dimensions of the legislation it will undoubtedly create resentment among the public. Politically and socially, the family allowance is valued particularly by the women to whom the cheque is made out. For some, it is too small to make much difference but for many others, even some who are considered well off, at least in terms of the bill, it is very important.

I turn now to the administrative difficulties—to what some hon. members have called the administrative jungle. Well, the administrative jungle which can reasonably be expected to arise from the introduction of the FISP plan in its present form will make the UIC mess look like an oasis in the desert. I represent what is primarily an industrial riding, and I know what a mess the Unemployment Insurance Commission was in throughout the fall and most of the winter. People became so angry that they stormed into commission offices demanding cheques. Situations of this kind may develop if the FISP plan is carried out.

In reply to a written question in *Hansard* on December 22, 1971, the Minister of National Health and Welfare stated that the number of employees required to process FISP cheques will more than double, from 730, the number currently involved in processing both the family allowances and youth allowances payments, to 1,477. According to the estimates for 1972-73, the existing manpower of the entire income security and social assistance program is of the order of 2,000 persons. Of these 2,000, the minister has indicated that 730 are involved in administering family allowances. When the new scheme has been fully implemented or when all the bugs have been ironed out, the staff of FISP alone will approach 1,500.

• (1510)

The costs of this program are another major factor. The minister indicated on December 22, 1971, in reply to written question No. 1,714, that the administrative cost of FISP would be $13.7 million the year after the program started. The administrative costs of the program under the new scheme go well beyond the walls of health and welfare. Some of the costs of the scheme will be borne by other government departments and, of course, the new scheme imposes an administrative cost on the recipients of benefits.

The courts will be burdened with the new offences created under the act. It seems to me that as this government draws up more bills and passes more acts, it at the same time creates more crimes with which persons can be charged. The Tax Appeal Board will be required to handle some of the appeals. Supply and services, national revenue, Indian affairs and northern development, Statis-

tics Canada and manpower and immigration are all implicated in the bill.

A massive advertising campaign wil be required to inform the public of the changeover, undoubtedly in flattering terms to the Liberal party, and will have to be continued on a large scale to keep the public constantly informed of their rights and to warn them of the newly-created wrongs that they could commit.

The potential recipients of benefits will be burdened with two economic, if not financial, costs. The first is the cost of acquiring the information they need to take advantage of the scheme. The second is the cost involved in doing all the paper work imposed on them. More and more people every day are spending more time working for the government. There are seven distinct circumstances when a statement or a form must or should be filled out and sent to the department, depending on whether you want the family allowance, whether your income has gone up or down "substantially", as the bill puts it, whether during the year your income has changed, how many children you have and how old they are.

Let us look at the administrative jungle created, Mr. Speaker. First, all applications for family allowances must be checked to determine the eligibility of the applicant. Second, in the case of eligible applicants the benefit payment must be calculated on the family income and age of the children. Third, in the case of non-eligible applicants appeals and explanations must be handled. Fourth, appeals regarding the amount of benefit must be handled. Fifth, statements involving a substantial increase or decrease in income must be processed, with appropriate adjustments to benefits. Sixth, divorces, separations and marriages of recipients must be reported if family income is affected. Benefits must be adjusted. Seventh, adjustments must be made in benefits when estimated income differs significantly from actual income. Eighth, an administrative machinery must be set up to recover benefits paid out to ineligible persons. Ninth, an administrative machinery must be set up to detect frauds involving misrepresentation of income, misrepresentation of the number of children, misrepresentation of the age of the children, failure to report income increases, and failure to report deaths or marriages. Lastly, an administrative machinery for liaison with the provinces will have to be established.

I should like now to refer to some of the comments made by the Canadian Council on Social Development in relation to the white paper that preceded this bill. The council has set forth some guiding principles, and I want to put these principles on the record. The first principle is that family allowances should be universal. This is the main argument of the New Democratic Party. Family allowances should be universal, paid to all families with dependent children as a social right, thus avoiding divisiveness among families and any element of stigma. The present program has this feature but FISP would eliminate it.

The second principle is that there should be equity in relation to family responsibilities and to the financial and other resources of families. Three criteria cited by the federal white paper entitled "Income Security for Canadians" are, size of family, age of children and family income. Of these, the present program takes age only into account and FISP considers only income. Third, there should be the maximum feasible simplicity and efficiency in administration. What I have just mentioned very briefly about the problems that will arise in administration certainly serves to prove, or will eventually, that we in this party are perhaps right, and certainly the council itself. Fourth, the program should be as fully compatible as possible with long-term social and fiscal policies. This is not evident in the FISP proposals. Fifth, the program should have a built in escalation clause to meet the full amount of annual rises in the cost of living. This feature is not included in either the present family allowances program or FISP.

I mentioned at the beginning of my speech that if one compares the purchasing power of money today with the situation in 1945 when the original Family Allowances Act was passed, one finds that at that time $6 went as far as $15 to $18 does today; $8 went as far as $20 does today. This is another criticism that I have: there should be a built in escalator clause. With regard to income tax exemptions for dependent children, the council stated that the primary purpose of the exemption is to reduce the tax burden on low income families, but its value increases with the income of the taxpayer. It should be eliminated for children under 18 as a logical first move toward closer integration of the social security and taxation systems. Then, under the heading of taxation of family allowances, the council suggests that family allowances should be taxed,—this is not part of the present program but is proposed by FISP—the tax system taking into account not only income but also the number of children, a feature that is not included in the FISP program.

With regard to universality and selectivity, the council believes in "selectivity within universality" in favour of people of low income. It sees no contradiction here since equity requires that the level of the allowances be related to family resources. FISP proposes to achieve selectivity through grading the allowances; that is to say, selectivity from the bottom up. The council proposes flat rate allowances, graded indirectly according to income through a special tax schedule, which we can call selectivity from the top down. This method also has the virtue of a comparatively simple and cheap administration.

I have pointed out some of the weaknesses in the FISP program and have criticized it for not providing greater benefits for the needy. I have criticized it for eliminating the principle of universality, and in conclusion have outlined some of the recommendations put forward by the Canadian Council on Social Development.

• (1520)

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I had little or no desire to take part in this debate until I heard the Minister of National Health and Welfare (Mr. Munro) speak yesterday. I hope he will return to his seat in the Chamber before I have concluded my remarks because there are some things I should like to say directly to him, I support all that has been said by my colleagues in our opposition to this bill. We oppose it for many reasons, the main ones, as have been pointed out repeatedly and will continue to be pointed out, being the

destruction of the principle of universality and the administrative jungle that it will create. It will also divide, inconvenience and even hurt some people.

One can recall the mid-1940's when old age pension measures were substantially changed and improved, and when the family allowance program was discussed across this country and in this parliament for many months. It was finally enacted with a great deal of fanfare by the then Liberal government. One cannot blame them for that, but only expect it. When the principle of universality was suggested the then Prime Minister of Canada, Mackenzie King, spoke fervently about the inclusion of that principle in the field of social security measures, particularly in respect of old age pensions and family allowances. One can recall when the Right Hon. Louis St. Laurent was Prime Minister of our country and became eligible for the old age pension. He publicly and with some fanfare received and accepted his first cheque at the age of 70 to show, not that he needed it, but, his support as the Prime Minister on behalf of his government and the Liberal party of the principle of universality. The point was that he did not need the money, but that the universal application of the old age pension was designed for the benefit of the people.

Similarly in respect of family allowances, Mr. Speaker; those in high places, both in government and in other sectors of our society, who do not need these allowances accept family allowance cheques because they, too, agree with the principle of universality. This government, over the past four years, has adopted many measures that attack people, and many measures which give aid and comfort to wealthy corporations, to an extent that is almost unbelievable. This government has attacked old age pensioners by destroying the principle of universality, and now it attacks children.

I suppose the best illustration I can give quickly is one which can be found in one of the provisions of this bill. The minister proposes that children who are in orphanages, foster homes or are being supported by public funds in other ways, will only receive half the benefits. This is the meanest kind of attitude to adopt. Surely, children in these circumstances need even more than the children in normal homes. Because governments at the federal, provincial and municipal level are participating in the support of these children in foster homes or orphanages, and the federal government is paying half the cost anyway, this government reveals a typical, bureaucratic Liberal attitude by paying only half the allowances. That is surely an attack on the children who are unfortunate enough to be in orphanages or foster homes. It is difficult to understand how the Minister of National Health and Welfare or any self-respecting Liberal, if there are any, could countenance such an outrage.

I should like to repeat what my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles) said yesterday, that the time has come to say no to this further destruction of what was the leading social security system in the world. I agree with him that the time has come to say no to the Minister of National Health and Welfare, and if he wants to take us on in the country in respect of this matter we will only be too glad to oblige him, even in his own constituency. It is time to say no to this destruction of the principle of universality. It is time to say no to the government in respect of snooping into people's private affairs. It is time to say no to paternalism and patronizing of the poor. It is time to say no to the inevitable administrative boondoggle which this kind of bill will bring about, and it is time to put an end to this attack on children and to reject this Liberal government's version of a middle income group. I do not class as a middle income what is suggested by the minister, and I think most people in the country would agree with me.

I recall a survey being conducted in the city of Toronto two or three years ago by a joint group of welfare and business agencies. This survey showed that a man and woman with three children living in an average home with a 30 or 35 year mortgage, with one car, attempting to put the three children through university, could not do so on less than $11,000 per year in the city of Toronto. The minister calls that level of income high or high middle, and excludes people making that much money from receiving benefits under this legislation. We all know of people with a total income of $7,500, $8,500 or $9,500, whether it is a single income family or a husband and wife both working, who have a continual struggle to keep their heads above water. They do not live high off the hog. They do not have two cars and do not go to Florida every winter. They struggle to meet their mortgage payments and the payments on their furniture; they struggle to educate their children. They hope to have sufficient money for a two or three week vacation once a year, and often they borrow the money for that. The Minister of National Health and Welfare says they should benefit less because he calls that a middle income. I would hesitate to classify even $15,000 a year as middle income, let alone $7,500.

Each year we will have to raise the levels of what can be called middle income. In five or ten years someone with an income of $7,000 or $8,000 a year will be living at the poverty level, particularly if we are still victimized by Liberal economic policies, because this will mean more and continuing unemployment and a continual loss of control of our own destiny in this country. If we continue to have this kind of policy we will have more inflation, and what is considered by the experts as the poverty line now will be doubled in a few years.

The hon. member for Winnipeg North Centre, who will still be here then, will be pleading with the government, if we are unfortunate enough to have a Liberal government at that time, to double the levels referred to in this legislation. He will be pleading then to build in an escalation clause. We are pleading now to build in an escalation clause in the family allowance provisions just as we did in respect of old age pensions. Each year, automatically, if the cost of living goes up 4½ per cent, the family allowance benefits go up 4½ per cent and similarly with old age pensions. But this miserly, so-called free enterprise Liberal government condescends to provide a 2 per cent escalation in pensions of civil servants and in the guaranteed income supplement, then turns a blind eye to everybody else.

• (1530)

As has been said by my colleague, the hon. member for Brant (Mr. Blackburn), the proposed $15 or $20 levels just

bring the purchasing power of the family allowance benefits to what they were in 1945. Let us look at these people whom the minister proposes will either receive less benefits or be excluded. Let us take the wage earner. It is usual nowadays rather than unusual, as was the case 20 or 30 years ago, for the income of people to fluctuate, even though they may only change jobs 4, 5 or 10 times in their lifetime. A wage earner will be laid off, fired, promoted or demoted. It is not uncommon for this to happen to him many times in his lifetime. The level of income fluctuates up and down, particularly at a time when people are being victimized by a Liberal government, and when unemployment is high.

Because of unemployment a person's income may go down and then go up again when he returns to work. The Minister of National Health and Welfare says that if this should happen the person could very well make a new application for benefits under this program. It is not unusual for someone with an income of $10,000 or $12,000 a year to have his income substantially reduced because he must take another position, but by the time he gets through all the red tape involved in reapplying and receiving these benefits weeks and months will have elapsed. An unnecessary burden is placed on the public when one must apply every time his income level changes by $500 a year or more. I think this is really an imposition. It is an imposition on the taxpayers in terms of the cost of administering this type of program as proposed by the minister. The single parent in this bracket for whom the minister proposes to provide less benefits have more costs to bear. Oh yes, the minister may say they will be able to deduct the cost of babysitters, the cost of housekeepers, the extra cost involved in educating their children and so on, but it is still an imposition.

There are higher costs, not only in monetary ways but in other ways as well. Even though a single parent, one who is widowed, separated or divorced, may have an income of $7,000, $8,000 or $9,000 a year that parent will have more difficulty in supporting children, but since the minister considers that level of income as the middle level that parent will receive less or be excluded entirely. The more one thinks about it, the more one is ashamed to see this kind of legislation presented in this House. It is uncivilized, it is mean and it is vicious. It divides people.

I am sorry the minister has not returned to his seat. He made some statements about the New Democratic Party, about its leader and about the hon. member for Winnipeg North Centre (Mr. Knowles). He can say what he likes about me, but when he infers that the New Democratic Party is opposed to giving these allowances to the poor he indicated that he expects millions of people in this country to believe something they know is not true. When he suggests that my leader, the hon. member for York South (Mr. Lewis), is opposed to this bill and is therefore opposed to giving these allowances to the poor, he is expecting millions of people in this country to believe the unbelievable. It is incredible that the minister would expect anybody would believe this of the hon. member for Winnipeg North Centre. I suppose there is hardly a citizen in Canada who does not know about and recognize the reputation this hon. gentleman has in the field of social security for something over 30 years. In fact, I submit the day will never arrive when the Minister of National Health and Welfare will be able to carry water for the hon. member for Winnipeg North Centre.

[Mr. Benjamin.]

Mr. Peters: And he doesn't drink very much water.

Mr. Benjamin: That kind of a suggestion by the Minister of National Health and Welfare is not only ridiculous, it is insulting. If he had wanted to say it about me I could not care less, but he will not get away with saying it about the hon. member for Winnipeg North Centre or the hon. member for York South. We know there could be political difficulties for the New Democratic Party in the stand we are taking on this, but we make no bones about it and are not running or hiding. I think we have established a good reputation in this country for putting up this kind of a fight for people. For the Liberals to suggest that we are in favour of the rich receiving these allowances, is again asking millions of people in this country to believe the unbelievable.

I do not think you, Mr. Speaker, or anyone in Canada has any doubt about the stand of our party, of our leader or of our leaders before him on this matter, over a period of many, many years. Those who are on high income still do not and never have paid their fair share of the cost of running this country and the cost of having as decent a society as we can. We have taken the lead in demanding and fighting for higher levels of taxation for those who are wealthy. We have taken the lead in this country in fighting the gifts to corporations, their exemptions and allowances under the tax laws of Canada which permit them to evade hundreds of millions of dollars in taxes.

When the minister says that acceptance of our proposals to make these benefits at the $15 and $20 level universal would cost $700 million a year more, I say so what. In the first place, if he had completed reading our amendment he would have known that we proposed there be appropriate amendments to the tax laws which would result in those above the level of $15,000, $20,000 or $50,000 or $100,000 a year paying back a major portion of what they received as family allowance. Surely, this is the way in which it should be done. Surely this would involve the least imposition on the public rather than putting people in categories on the basis of how much money they might happen to earn in a given year, then expecting them to return like mendicants year after year and reapply at their new income levels.

Another group which the minister obviously considers to be at the middle income level are the farmers. Their incomes go up and down like a galloping jackrabbit, varying from a low of $1,500 to a high of $15,000 in a period of two years. In a period of low income, they can receive the family allowance, but if they experienced a few years of high income they would lose the benefits of the family allowance while at the same time they would be paying off debts accrued in the years of low income. The minister can allow them all the deductions similar to those he allows when they make out their income tax forms. If this is the kind of paper work the minister demands of a section of our society, I hope they will tell him to go to blazes.

• (1540)

The same thing applies to fishermen and small businessmen whose incomes depend on the profits of their businesses, particularly those located in rural Canada or in areas where fishing is the main industry. Their incomes fluctuate greatly. Those people may belong to what the minister calls the middle income group, people who make between $7,000 and $10,000 a year for a year or two. When their incomes drop below that sum, those people are patronized and told to rush down to make an application for family allowances because that year they are poor. Multiply the number in this group by the hundreds of thousands of people in this country whose income fluctuates every year, then imagine the paperwork that will be required and you can visualize the administrative jungle we will have.

What is even more serious is the fact that this legislation will cause people to feel even more alienated from each other than they do now. They will feel alienated from their government and from each other. They will be computerized and categorized according to the incomes of the father and mother and even the incomes of teenage children, because if those children have incomes over a given amount they must be declared on income tax forms. I assume, therefore, they must also be declared when applying for family allowance benefits under this bill. All of this information goes into the computer and everyone becomes a little card. If your income changes by $500, you must rush down and report it and then the next year make out a new application. Your card goes into the computer, the bell rings, the red light flashes and it spits out another card indicating how much less or how much more you will get or whether you will get anything at all.

Family allowances are for people, for children. Old age pensions also are for people, not because they are old but because they have a right to them which they have earned through their contributions to their country all their lives. Family allowances are for children, for their education. This group of people whom the minister calls middle income people I submit are not middle income people because they are barely making it. Tens of thousands of mothers have had a small savings account for each child into which the family allowance cheque went, and when that child was ready to go to university there was $1,000, $1,500 or $2,000 that had accrued to help finance his or her education. If the boy or girl did not wish to go to university, the money stayed in the account until he or she got married and it helped to start them off. In some cases, it was used to purchase clothes. I know a number of mothers who have saved family allowances in separate bank accounts. They did not let the old man touch it for beer or cigarettes, but would use it to buy clothing for their children or to finance their vacations.

However, if those families are now in what the minister classifies as the middle income group, they will get less money in family allowance benefits. If they earn more than $10,000 a year, they will get nothing at all. It is inconceivable to expect this kind of legislation to work or to be accepted. We do not accept it and we never will. The government has flown in the face of a policy that was traditionally theirs, at least since 1944. It has flown in the face of what members of all parties in the House have favoured for many years, the principle of universality. No self respecting businessman would try to operate his business in the way in which the minister propose to administer this legislation. It flies in the face of good administrative sense and judgment. It asks too much of people. It imposes upon them. As I said earlier, it perpetuates the paternalistic and patronizing attitude of the government towards the poor.

Family allowances are a matter of right, not a privilege. From those whose incomes are in fact high, those who could be called the middle income group, for example people making $15,000 a year, we propose that we would recover a major part of the extra cost through the income tax. The minister mentioned the figure of $700 million a year. We could recover a large part of that sum through the tax system, and do so fairly on the basis of the ability to pay. We should not demand that people come to the government each year to expose all their private affairs, to expose themselves to government scrutiny and to the computer to see whether they qualify for a few dollars a month or even a few cents a month. If the change in income is only $500 as compared with the previous year they will receive 33 cents less per each $100, but the cost of administering this will be more than the 33 cents which will be deducted. I am sure that the bill for electricity for that computer will go up by at least 33 cents each time the button is pushed to make a calculation.

The way in which the minister proposes to administer the family allowances plan in the future is stupid. One thing for which I have always given credit to the Liberals is that they were reasonably efficient, honest and reasonably good administrators. But this will be a boar's nest—

Mr. McBride: This will be what?

Mr. Benjamin: It will be a boar's nest.

Mr. McBride: Describe a boar's nest.

Mr. Benjamin: I would be delighted to do so sometime. It is a good prairie expression. To ask me or any other member in the House to approve that kind of administrative procedure is ridiculous.

May I conclude by repeating that the minister's remarks yesterday, not only about the stand of the NDP on this bill but more particularly about the stand of my leader and the hon. member for Winnipeg North Centre were unworthy of the minister. I hope he does not try to perpetuate that kind of nonsense. I hope he will be man enough to admit that he should not have said that the hon. member for Winnipeg North Centre is opposed to giving money to the poor. I hope he does not try to perpetuate that kind of nonsense because if he does, he will be earning a punch on the nose from many thousands of people across this country who have admired and respected the hon. member for Winnipeg North Centre for his stand with regard to the poor, whether or not they support him politically. I hope that members of all parties will think seriously about our amendment before it comes to a vote and that they will decide it is worthy of support, that in fact it makes this bill into what it should be, a universal Family Income Security Plan that is more meaningful, that does not discriminate, that does not computerize and does not alienate. I hope they will recognize that with this

amendment the legislation before us will be much more efficient and will be administered much more cheaply. I hope that the bill will be passed on second reading in record time and that, when amended, it will be in such form that we will be proud of ourselves, then, when it is given third reading, the minister will be proud of the legislation.

• (1550)

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have no intention of prolonging this debate, but I think it is my duty to say a few words on a subject I consider of extreme importance, not only because I represent a riding that is mostly labour class and where the average salary is relatively low, but also because Quebec workers are not sufficiently represented in Parliament. Since these people do not have much say in Parliament, I think it is my responsibility to take part in the debate and make a few comments on Bill C-170 respecting family allowances.

I would not like to repeat all the arguments that have already been made. I think, Mr. Speaker, that hon. members who have expressed their views on this measure have dealt with the fundamentals of this bill. They have pointed out the flaws both in its drafting and its implementation. They have tried, in particular, to show to the Canadian people that they are being led once again to believe that the moon is made of green cheese, by which means the government wants to assert that it is considering with benevolence, and in accordance with its philosophy of a just society, the situation of the working class, of the small salary earner and of the large family, particularly in Quebec.

Mr. Speaker, we cannot be fooled in this House and we very well know, as the hon. member who spoke before me has pointed out, that whatever our pronouncements and objections to this bill, the government has decided to adopt it and that all our efforts will fail to alter the position or the decision it has already taken.

Indeed, this attitude is not new. Since the government of the just society has assumed power, it, alone, has charted our course of action and it, alone, has made its own decisions while ignoring the democratic role and the contribution of opposition members in the House.

This being said, Mr. Speaker, I felt I had to rise and say clearly that we of the Progressive Conservative party have stated our position, which is that we give outright support to the principle of family allowances. We acknowledge the need for them, and I feel that those who, like me, represent working class constituencies where there are a lot of low and middle income people should acknowledge—no matter what party they belong to—the urgency of seeing to it that the working class will not be once again limited both by the rise in the cost of living and by the cuts the government makes in some social legislation—in short, that it will not lose once again through legislation which attempts to deprive further the families, the middle class of this country.

Mr. Ouellet: What cuts are you talking about?

[Mr. Benjamin.]

Mr. Valade: If the hon. member would have some patience, I will tell him. Let him be quiet and listen. Let him take part in the debate if he has something intelligent to say, and I will tell him what cuts I am talking about.

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

Mr. Speaker: The parliamentary secretary on a question of privilege.

Mr. Ouellet: The hon. member for Sainte-Marie says that if I have something to say, I should rise and speak. If he was in this House more often, he would know that I have already taken part in this debate.

Mr. Speaker: Order, please. There is obviously no question of privilege here.

Mr. Valade: Mr. Speaker, not only is the hon. member's remark stupid and silly, but it shows, above all, that he does not see that even the minister who sponsored the bill is not in the House, and that the Prime Minister of Canada (Mr. Trudeau), who supposedly wants a just society, has never been in this House to take part in the debate and to hear arguments and discussions on such an important bill. The Prime Minister of Canada should be the first to give a good example by being present in this House.

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

Mr. Speaker: Order, please. The hon. member rises on a question of privilege. I hope it is not the same he just raised because we could discuss for a long while as to whether an hon. member from any party is present in the House during a debate. I think such considerations have very little to do with the debate which should take place regarding the bill now before us.

Mr. Ouellet: Mr. Speaker, the hon. member for Sainte-Marie has called my comments silly. I can take the liberty, I think, to point out to him that his own remarks must be somewhat uninspired since there are no Conservative members—

Mr. Speaker: Order.

Mr. Valade: Mr. Speaker, I would not want to ignore that remark because among the 55 Quebec Liberals—the province most affected by this legislation—hardly three or four are in the House. There is only one Progressive Conservative member representing the Canadian metropolis. Unfortunately, the injustice committed in the last election is that the present government which is indebted to Quebec for the majority enabling him to exercise power happens to penalize that province by bringing in Bill C-170. Most of all, we should not forget that the province of Quebec responded to the Prime Minister's appeal to give him a majority government in order to establish a just society. Yet, it is the province most severely penalized by Bill C-170 that the Liberal party will compel the House to pass in a few hours.

Mr. Cyr: That is not true.

Mr. Valade: I don't intend to be lead into digressions by such inept remarks.

If the hon. member for Papineau, who represents a Montreal riding, had any sense of responsibility to discuss the merits of this bill, I believe he would have better chances to be assessed more favourably when the next elections come around and he would not bring out in this House the nonsense he just gave us.

Mr. Ouellet: I can go and discuss it at any time in your riding.

Mr. Valade: Mr. Speaker, I believe I have the floor and I intend to take advantage of it whether or not it pleases the parliamentary secretary who is far more adept at writing in newspapers than at making speeches in the House.

I want to say, Mr. Speaker, that it is the duty of members to express in the House, where bills are passed, their own opinions and especially their feelings and concern about the people and about a bill which is extremely complex and seems to give something while in fact it withdraws more than it brings. I feel that it is our duty, regardless of our party loyalties, to speak up the truth.

Mr. Speaker, I shall limit myself to the merits of the bill. Personally, I believe the government, instead of making a further amendment to the Family Allowances Act, should first of all have recognized that jurisdiction for family allowances was claimed by the provinces. That, in my opinion, is another violation of the Constitution which stipulates that administration of public health is exclusively a provincial field.

If the government wanted to amend the Family Allowance Act, it should first have tried to come to an agreement with the provinces, to establish whether they want to exercise that responsibility themselves or relinquish it to the federal government.

There again I consider that the government has acted without consultation. It has in fact once more taken the initiative to force upon the provinces legislation which would be better administered by them.

Mr. Speaker, I wish to discuss the substance of Bill C-170. Interruptions have caused me to digress somewhat from this subject, but I want to get back to it, because I think it is more important to discuss the merits of a piece of legislation than to indulge in political or partisan considerations.

Having said so, I think that if we seriously analyze the impact of Bill C-170, there is cause for some concern. No member has raised this point, I think, and this is why I have decided to speak on it.

If we consider the changes that this bill introduces into the family allowance program, I think that we must ask very sincerely whether the government is not seeking a systematic, gradual and definite elimination of all forms of family allowances, for two reasons.

First, as a result of the selectivity principle, and then, as a result of inflation. The selectivity principle obviously reduces more and more the number of family allowance recipients. The government itself admitted it; over 1 million people will no longer be eligible to family allowances.

As a result of inflation, wages and prices tend to increase. The minimum floor on which these new allowances were based will undoubtedly disappear, that is to say that the basic amount of $4,500 which made a parent with one child eligible, will no longer apply, since, because of inflation, a person who earns $4,500 now, will probably earn $6,000 or $7,000 within three, four or five years. And then, a single child will no longer be eligible to family allowances. This means that, in a few years, through the technocratic process related to this bill, most families, maybe all of them, will no longer be eligible to family allowances.

Mr. Speaker, the Parliamentary Secretary to the Minister of National Health and Welfare seems to disagree. This section on page 6 of the bill is very clear about it. It is clearly stated in section 6(1)(b) that allowances will be paid to a person with one child and that, for each full $100 of income by which the income of the family exceeds, the allowance will be reduced by 33 per cent.

Therefore, Mr. Speaker, every person earning $4,600 will be obliged to deduct 33 per cent from the amount exceeding $4,500. Who can say, nowadays, that the head of a family who earns $5,000 has a salary enabling him to make ends meet? In my opinion, it is only fancy.

This is another method which the present government uses to show that he is trying to help the poor, the low income people, the families who need it, but actually, it is only playing a hypocritical game which tend to reduce even more the assistance that large families and low income people need so badly, nowadays.

If the intention is really to do away with family allowances by circuitous means, the present government should have the courage to say outright that it wants to be rid of the burden of helping small wage-earners and large families.

I suggest that the inadequacies of this legislation are evident. Because of the two conditions explicitly stipulated therein, the concept of selectivity and the 33 per cent deductibility clause for each additional $100 of income over $4,500, the legislation clearly indicates that we are going toward complete elimination of family allowances to large families and small wage-earners.

If the government wanted to be really honest, it would state outright its intention of abolishing in the near future legislation assisting large families and it should truly demonstrate its intention to help small wage-earners through the use, as all hon. members suggested, of the income tax.

I feel, Mr. Speaker, that it would be easy for the government to say: We want to help families and small wage-earners. We are going to allow low-income family heads to deduct from their income tax all expenses made for their children. Why should the government not allow deductions of clothing expenses for a child under 16 years of age, of all school fees for children under 16, of medical expenses, of physical development expenses, and even of expenses made for sports which are necessary to the training of young people? This would really be a way for the government to prove its sincerity and its truthfulness to the Canadian people.

Mr. Speaker, the government could also say to the family head who has a small property saddled with municipal and school taxes: We are going to help you by allowing you to deduct a certain amount of your municipal and school taxes from your income tax, so that you will have a little more money to meet necessary family expenses. I feel this would not be a mere statement of intent, but rather facts which would prove that the government is trying to help low-income heads of large families.

The government could also have said on the same occasion: We are going to help senior citizens. This government of the so-called "just society" has not yet indicated what it intends to do to alleviate the burden of senior citizens. I know that this bill does not deal with this matter, but I think this is an opportunity which the government could use to demonstrate that it really wants to implement its policy for a just society by giving more assistance to this class of citizens, elderly people, who only receive a pittance and who cannot, nowadays, make both ends meet.

Mr. Speaker, I think that the important impact of this bill is concealed by several sections which are so complex that they make it difficult for anybody to understand the meaning of the bill and the way in which it is going to be administered. For instance, clause 6(2) of the bill clearly states that where a person receives a pension or any other assistance from a lower level of government or within the meaning of a plan approved by the provinces where this legislation would apply, the amounts of the benefits payable by the federal government will be one half of those amounts which would allegedly be paid to families, as stated in the bill. I think I understand the bill quite correctly, but explain it to me if I do not. How is it possible for the minister to tell the people that he is paying $20 a month in respect of a child of from 12 to 18 years and $15 in respect of another of up to 12 years, in the event that the child's family receives any assistance from the municipality within the meaning of a plan agreed upon by the province?

The government is lying when it tells the people that it is going to pay these amounts. The Parliamentary Secretary to the Minister of National Health and Welfare might repudiate my arguments, but the government will only pay $10 in respect of one child and $7 in respect of the other. This is clearly established in clause 6(2) of the bill and I quote:

(2) The amount of a benefit that is payable in respect of a person referred to in paragraph 3(1)(*b*) in respect of any benefit year is the amount set out in paragraph (1)(*a*) or (*b*), as the case may be—

The government is once more creating the impression it is going to pay sensational and stupendous amounts, something that will at last enable families which face difficult economic conditions to extricate themselves from their stagnation, when this is not true. Once more, Mr. Speaker, this bill tries to mislead—

Mr. Ouellet: Speak about it to the minister.

Mr. Valade: —Canadians by hiding the real intent of the government in the sense that it is obvious that this piece of legislation will be gradually and systematically self-defeating within a few years, due to the conditions with which the government has stuffed it.

[Mr. Valade.]

• (1610)

Mr. Ouellet: Mr. Speaker, would the hon. member for Sainte-Marie answer a question?

Mr. Valade: I will answer any sensible question.

The Acting Speaker (Mr. Laniel): The hon. Parliamentary Secretary to the Minister of National Health and Welfare.

Mr. Ouellet: While opposing this bill, is the hon. member for Sainte-Marie aware that through this government measure almost 80 per cent of the families in his riding will see their allowances doubled or tripled?

Mr. Valade: Mr. Speaker, this is not only false but another lie which must be emphasized because I know that it will be used by the Liberal party to defeat a Quebec member—the member for Sainte-Marie—because in Montreal it has been found out that the Liberals have betrayed the people, that one person is trying to set the record straight—the member for Sainte-Marie.

The Liberal party has only one thing in mind: to use all means available to stifle, to knock out the member who, even though he can speak on behalf of the people, is subjected to this government's demagogy and dictatorship.

Mr. Speaker, I will reply to the question of the hon. member for Papineau. Not only will the people of my riding not see their benefits doubled or tripled—because in Sainte-Marie some people do not or barely earn the minimum required under the law—but the 33 per cent deduction on each $100 above $4,500 will automatically deprive most large families of the benefits that the member for Papineau is saying the law will give them.

In fact in Sainte-Marie, not one father of four, five or six children does not earn at least $5,000 or $6,000 a year. He could not make both ends meet otherwise. And when it comes to $5,000, $6,000 or $6,500, the 33 per cent deduction clause for each $100 excess income means that the possible income of large families will decrease by that much. In my opinion, it would be wrong for the parliamentary secretary to say flippantly that the entire population of the Sainte-Marie or Saint-Jacques constituencies or of the Montreal constituencies as a whole will profit from the legislation. It is untrue, because due to inflation, the increased cost of living, the wage raises which have been added to the income, the inflationary pressures, this new system will not enable the heads of large families in labour constituencies such as mine to receive more than they do now. The parliamentary secretary knows it quite well and his intervention is only meant to alter the interpretation of the present legislation.

Mr. Ouellet: Mr. Speaker, I should like to ask another little question to the member for Sainte-Marie.

His comments show that he does not understand the legislation at all. I ask him if he would be kind enough to invite me in his constituency at the next elections; I would

explain to his constituents the great advantages of that legislation.

Mr. Valade: Mr. Speaker, not only am I happy to tell the hon. member that I shall invite him, but I shall even invite him to his own riding to explain the truth to his constituents.

• (1610)

[*English*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I enjoyed the exchange that has just taken place between some of the members from the province of Quebec. I wish it had been a fuller discussion, particularly on the aspect of why the province of Quebec is trying to negotiate family allowances into its sphere and what bearing the negotiations may have on the plan we are now discussing. I am interested in the fact that most Liberal members come from the province of Quebec.

Mr. Valade: That is right, and it is a shame.

Mr. Peters: I agree it is a shame, but it is a fact.

Mr. Sharp: That is not true. Among other things you cannot do, you cannot count.

Mr. Béchard: What about Ontario?

Mr. Peters: Certainly, the majority of the Liberal members come from the province of Quebec.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): Order. Hon. members should at least give the hon. member for Timiskaming a chance to make his speech.

[*Translation*]

I would suggest that all hon. members wait before putting questions or making remarks, in order to give the hon. member who has the floor a chance to start his speech.

[*English*]

Mr. Peters: Mr. Speaker, I have said before in this House that my arithmetic is not good. Probably this is the one justification for a computer.

I was interested in the discussion that took place because in years gone by there has been a great deal of support from the province of Quebec for family allowances. I am very surprised that there should be an argument now as to whether you should use the high income figure for a family with one child as the criterion or, as the previous speaker did, use the example of five children at a much lower family income level. Obviously, the people of Quebec are not now as deeply concerned about the matter of procreation as they were previously. The birth rate in the province of Quebec is now very low. In fact, even with government intervention in the form of a family allowance program, it is the lowest in the civilized world. I am interested in the thinking of Quebec members in this regard because they are affected. It might have quite a bit to do with their future because the populations of some of the other ethnic groups in that area are multiplying much faster. The Indian population is enjoying a very high birth rate.

When this matter of social security payments was settled to the satisfaction of most people a long time ago, it was agreed that people would be granted certain fundamental rights because they were Canadians. One was the right to the old age pension. I remember a former Prime Minister from the province of Quebec who said in this House that he was very proud of the fact he was now able to draw the old age pension because he had reached the age at which that pension was paid to all Canadians. Mr. St. Laurent did not need the money. He had a considerable amount of money. He was proud of the fact he lived in a country which paid such a pension because he had contributed to this country and had reached the age at which he was automatically entitled to the old age pension. The wife of the present Prime Minister (Mr. Trudeau), who is also well off financially—and this is unusual in the Canadian Parliament—is entitled to receive this universal payment for their offspring. It seems odd that he resents this to the extent of getting rid of the universality of this program. I think it is an excellent idea that people should receive this payment without consideration being given to their incomes.

Yesterday the Minister of National Health and Welfare (Mr. Munro) made a great thing about the unions agreeing with him, that they were willing to give up something so that it could be given to the poor. If the minister thinks that is so, he has not talked to them. No matter what income level they have reached, union members are of the opinion that, as Canadians, they have a right to family allowances. If they have six children, they believe it is their right to receive a universal payment for those children.

Mr. Munro: If they have six children, they will get a lot more under this bill.

Mr. Peters: They will not get anything. There is not a worker in the Hamilton area who receives less than the amount at which the family allowance is cut off. Certainly, the steel workers fit into the category which the government now considers to be the middle rich. There are now two thoughts being developed in Canada. The government should consider the implications of both. One concerns the middle income group of Canadians. They claim they are being taxed far heavier than anyone else and, Mr. Speaker, that is true. They ask: Why should we be taxed so heavily to pay money to others who should be able to work but who are living on unemployment insurance benefits, or, in some cases, on welfare, not necessarily through their own fault. Any reasonable government should be making every possible effort to get the economy going again so as to provide the maximum number of jobs, thus lightening the load which presently falls on the middle income group.

• (1620)

Another group in our society is saying that the nation as a whole has provided certain benefits on a universal basis because the persons receiving them are Canadians and are entitled to various concessions for that reason. We went into all this a long time ago when the principle of

universality was first exercised. The Conservative party of that day was much opposed to it. Even after this House had passed the universal old age pension legislation, the Senate turned it down. The second House, the House of sober second thought, believed that a measure of this kind would destroy the country. The same was said with respect to the family allowance payments on a universal basis.

I would point out there has been no great outcry on the part of the Canadian public in favour of the change the government is now proposing. There have, however, been many complaints from those who have been receiving benefits on behalf of their children about the inadequacy of the allowance. Time and time again the government has been asked to increase the allowances, at least to the point at which they would be in line with the increase in the cost of living. One of the questions frequently asked of me during political campaigns is: Where do you stand on the issue of family allowances? It is asked by representatives of a group called Union d'Électeurs, a forerunner of the Creditiste party who often attend political meetings for the purpose. I have always been able to say, truthfully, that I am in favour of increasing the family allowance. I believe that at least the amount should be kept in line with its purchasing power when first introduced. Revision should be carried out periodically, in fact an escalator clause should be built into the scheme. If we pass the amendment in the name of the leader of my party we shall only have done what many people in this country have been demanding, that is, to bring the family allowance payments in line with the increase in the cost of living.

Much has been said about the problems which members of parliament have been encountering in connection with programs administered by the government. I was interested to hear the hon. member for Winnipeg North Centre (Mr. Knowles) tell the House yesterday that over the years he had received very few complaints about the administration of the family allowance program. I can recall only a few instances of my own knowledge, and these difficulties usually involved something other than the benefits themselves. They arose because a child who had reported he did not intend to return to school decided, later, that he would do so, or they arose from questions concerning the guardianship of the child—who should, in fact, receive the cheque, and so on. So, while there have been a few minor problems, they have not been the kind which develop as a result of a too bureaucratic administration. The minister is to be congratulated on the way in which this branch has been administered. It has been easy to get replies from the department, which indicates to me that the staff is sitting waiting for telephone calls, and are able to deal with inquiries immediately.

If we embark on this computerized nightmare which many hon. members have foreseen, the staff will need to treble in size. Before the minister even considers it, I should like him to read a little booklet which should be on the desks of all administrators in the civil service—it should certainly be on the desk of every cabinet minister. It is entitled "Up the Organization". He will find therein a section on computers in which the authors say that anyone changing over to computers should be prepared for a long period of manual checking of everything which is done by the computer. The other day there was an interruption of the power supply to parliament. It caused very little interruption to this particular institution. But in Belleville, where a computer is installed, 12 hours were lost as a result of that interruption. This meant that instead of a man getting his cheque on Thursday he had to wait until Monday, and then only if he was lucky. This is the kind of problem which will be encountered in connection with family allowances if we put the program on a computer system.

I am sure the whole country was shocked to learn recently how poorly our tax system operates. We were shocked to hear the Minister of Finance say it was not possible to raise personal exemptions by $500 and still expect to run the country, because so much money was flowing in from the lower end of the tax structure. This is why we have written into our amendment a proposal that the necessary tax changes be made to ensure that maximum benefit is received by those to whom the allowances are directed. It is certainly not our desire that this money be given to the rich or to people who have no need of it. Nor is it our desire to give it to those who will find it detrimental to their total tax position. The government seems determined to do things in the most complicated way possible, though it would be easy to provide $15 to the entire group we wish to help, $20 to the second group, and sufficient money to the third group to take care of education costs. I once earned an income which would put me in the middle income category, yet my wife could always make good use of the family allowance. I had three boys and it was very seldom that she was able to buy a pair of shoes or some other item of clothing for the children without her having to take money from the family budget. These items were needed by the children and were well used. This sort of thing occurs right across the whole community. Yet this government wants to divide the people into the haves and have nots.

• (1630)

Not a day goes by that I do not receive a letter dealing with some problem in connection with the old age supplement. For example, someone has a burial fund which puts him over the limit. Although he does not have sufficient money to live on, since he has money put away to bury him, it means he cannot get the supplement. If the minister employs an additional 500 people to administer the program, how close is this going to come to carrying the total expenditure when you discount the amount received back through the income tax system, even as it is now? As you know, expenditure has a revolving effect, and it soon gets back into the taxation system. I should like to know whether the cost of the 500 people that are to be hired will exceed the savings that will be made.

Personally, I have always thought family allowances should be increased. I thought that it was a demogrant which served a purpose for the young people and in many cases gave them an equal opportunity. In my area two kinds of youngster go to high school. There are those from the depressed rural areas and there are those from the urban community. This small allowance made the difference whether they were able to dress so that they felt equal to other kids or were not. Although society has changed today, what has not changed is the requirement to make application for assistance if you are in need.

Whether you apply for the guaranteed income supplement, for veterans allowance or any other means tested program, there is a stigma attaching to it which a good many people are reluctant to accept. We have discarded universality in the case of the old age pensioner, and I hope we will not do so in regard to our young people today. The minister did not give the House one legitimate reason for not raising the payment from the $6 and $8 initially set to $15 and $18 instead of involving us in the complications of a computerized society and dividing people into categories.

The regulations that would be established to administer this complex and confusing program of youth maintenance will at the same time bring with them additional problems. I would have thought the minister would have given the House facts and figures instead of trying to make the argument that if you supported universality you were only concerned to give those in the middle income class, as he called it, those earning $7,000 and up, the rights they have had for a period of time when Canada's gross national product was considerably below what it is today. Certainly, today we are in a position to give our young people a decent and reasonable family allowance program at the levels indicated.

I hope those other members of the House in favour of universality, who have voted in the past for universality and have seen the merit of universality in Canada, will again vote to retain universality and will support not only this motion but the increase that is long overdue to the youth of this country.

MOTION TO ADJOURN UNDER S.O. 26

POWER

EFFECTS OF JAMES BAY HYDROELECTRIC PROJECT

Mr. Speaker: Before recognizing the hon. member for Fraser Valley West (Mr. Rose), perhaps the House would allow me a moment to refer to the motion made earlier today by the hon. member for Parry Sound-Muskoka (Mr. Aiken) under the provisions of Standing Order 26.

The Chair indicated that consultations were to take place later on. These consultations have been proceeded with, and as a result it was suggested, and is now decided, that the debate should take place tomorrow afternoon at two o'clock.

GOVERNMENT ORDERS

FAMILY INCOME SECURITY PLAN

MEASURE TO PROVIDE BENEFITS IN RESPECT OF CHILDREN

The House resumed consideration of the motion of Mr. Munro that Bill C-170, to provide for the payment of benefits in respect of children, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs, and the amendment thereto of Mr. Lewis (p. 1448).

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, hon. members opposite need not fear that I shall prolong this debate. However, as an elected member I do feel I have an obligation to speak, on behalf of the people I represent, on this very important bill. I realize, of course, that at this stage of the debate the ground has been pretty thoroughly raked over and any convincing that might have been done of hon. members opposite has perhaps already been accomplished.

I, as I suppose are many other Canadians, am a little tantalized by the prospect of selectivity when the explanation for it is that we are going to deny this extra money to those who really do not need it and in turn use the money to benefit those who do. This would be a program that might bear some public support. On this basis the minister, through this particular legislation, is attempting to seek the approval of many Canadians who are concerned about what I consider to be faulty administration and lack of equity in some of the programs we have at the moment. However, after thinking the matter over I have rejected the concept of selectivity, though I admit its initial appeal, on the ground that the purity of the concept of universality—and I feel the same goes for the old age pensions—should not be tarnished in one area just because there is a lack of equity in another, namely in the field of taxation.

• (1640)

I think the argument goes something like this: Why should H. R. MacMillan or some other magnate get the old age pension? He does not need it because he has millions of dollars. The answer by members of this party has always been that if these benefits were applied on the basis of a means test, an application for old age pension or family allowances would be undignified and would label people as being poor, or at least unsuccessful. It is also suggested that we will get the money back in income tax in any event, and we will not have to employ an army of snoopers and bureaucrats. I believe that is the main argument in respect of universality as opposed to selectivity. The fact is that the affluent in our country have far more means at their disposal to avoid their fair share of equitable taxation than the poor. Therefore the argument of universality tends to break down because it is quite easy for these people to avoid taxation. I am certain that many members of the other place are quite familiar with the business of setting up dummy corporations, foundations and other kinds of financial manipulations to avoid taxation.

If you give $80 a month to "Mr. X", and I will not name any affluent individual as I am not personally acquainted with any, he will not pay it back in taxes. I was initially moved by the fact that we, in fact, have a tax structure and perhaps this was the way to get at the situation. I am no longer convinced of that because I do not think it is worth destroying the purity of the concept of universality and its efficiency just because some other area of government policy, particularly on taxation, happens to have some weaknesses in terms of equity. The so-called tax reform was rammed through at Christmas time, and has

been criticized throughout the land by business, corporate and resource company interests. I do not think it nearly approaches the kind of equity proposed by the Carter Royal Commission on Taxation. It is interesting that within the same period of months, almost in the same breath, the government has moved towards selectivity in old age pensions and family allowances, and in terms of collecting money has moved toward universality. I have in mind the Unemployment Insurance Commission. The government has moved toward universality in the collection field and toward selectivity in the payment field. I consider this to be at least mildly anomalous.

An hon. Member: What about taking them off the income tax rolls?

Mr. Rose: Don't give me that boloney about cutting people off the income tax rolls. We argued about that for months. You know as well as I do that an increase in exemptions helps the affluent far more than it helps people at the poverty level. Do not try to confuse the House with that kind of nonsense and sophistry.

I have a great personal regard for the minister. We borrow cigarettes from one another behind the curtains. I know he is concerned about people and I thought he had a similar set of values to my own, being concerned with humanity. I always felt he chose to be a member of the government party in order to satisfy his political ambitions rather than on philosophical grounds. I felt he did this in order to be in a position to do things for people. I know he is concerned about medical training and the constitutional problems of getting the provinces to have three or four semesters per year in their universities in order to train doctors rather than steal them from other countries, as Canada usually does. I even suggested the setting up of medical centres in areas where there are no provinces, such as in the Yukon Territory. Perhaps he is so concerned he will make a proposal to abolish fees for medical services and put doctors on salaries such as we pay school teachers and parliamentarians. I am sure he is bold enough. He was recently described in *Maclean's* magazine as being pudgy and rumpled. In addition to being such a pleasant man, he is that way because he is working so hard. I am sure when he considered this legislation he went over it for hours and hours without rest. I think what happened to him was that he forgot his basic principles.

I am not going to speak any longer on this matter but will say in conclusion, and this is usually when I get some applause—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Even when you have to ask for it.

Mr. Rose: This particular policy is another example of increasing the burden of the middle income earner. The government is not assisting the man who is in the middle income group and, in order to support a family in that kind of middle class life style television leads us to believe most people in Canada and the United States enjoy, both parents have to work. The minister knows that many people do not enjoy that life style. Many of them in this social economic class find it necessary that both parents work. This is not a case of a wife having the right or wanting to work, but a case of her being required to work in order that her family may have a decent kind of living standard with provision for the education of her children.

Minimum wages are too low. Certainly, the organized worker is doing fine. Professional people in our society including doctors, lawyers, school teachers and professors are getting along all right. Many of the people in what we describe as the middle income group find it necessary that both parents work to achieve this standard of living. I oppose the legislation on the ground that it lacks universality and I support the amendment put forward by this party. I should like to conclude by saying that I am disappointed that we have been required in this House to deal with this kind of thing at all.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on the amendment to the main motion. All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the amendment (Mr. Lewis), which was negatived on the following division:

• (1650)

(Division No. 13)

YEAS

Messrs:

Aiken	Gauthier
Alexander	Gilbert
Alkenbrack	Godin
Baldwin	Grills
Barnett	Gundlock
Bell	Harding
Benjamin	Horner
Blackburn	Knight
Brewin	Knowles (Winnipeg North Centre)
Broadbent	Knowles (Norfolk-Haldimand)
Burton	Lambert (Edmonton West)
Cadieu	Latulippe
Carter	Lewis
Crouse	Lundrigan
Danforth	
Dionne	
Douglas	

Messrs:

MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McQuaid
Marshall
Mazankowski
Muir
Nesbitt
Nielsen
Noble
Nystrom
Paproski
Peters
Rock
Rodrigue
Rondeau
Rose
Rowland
Rynard
Saltsman
Scott
Simpson
Skoberg
Southam
Tétrault
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Valade
Winch—66.

NAYS

Messrs:

Allmand
Badanai
Barrett
Béchard
Benson
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Chrétien
Clermont
Cobbe
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cullen
Cyr
Danson
Deachman
De Bané
Drury
Dubé
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gillespie
Goode
Guilbault
Haidasz
Harkness
Hellyer
Hopkins
Hymmen
Isabelle
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
McBride
Mahoney
Marceau
Marchand (Kamloops-Cariboo)
Morison
Munro
Noël
Orange
Osler
Ouellet
Pelletier
Penner
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Roy (Timmins)
Roy (Laval)
Serré
Sharp
Smerchanski
Smith (Saint-Jean)
Stafford
Stewart (Okanagan-Kootenay)
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—93.

• (1720)

Mr. Speaker: I declare the amendment lost. Is the House ready for the question on the main motion?

Division

Some hon. Members: Agreed.

Mr. Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Is there unanimous consent that we put the question immediately?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Call in the members.

The House divided on the main motion (Mr. Munro) which was agreed to on the following division:

• (1730)

(Division No. 14)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Allmand
Badanai
Baldwin
Barrett
Béchard
Bell
Benson
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cadieu
Cafik
Carter
Chrétien
Clermont
Cobbe
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crouse
Cullen
Cyr
Danforth
Danson
Deachman
De Bané
Dionne
Drury
Dubé
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gauthier
Gendron
Gillespie
Godin
Goode
Guilbault
Gundlock
Haidasz
Harkness
Hopkins
Horner
Hymmen
Isabelle
Kaplan
Knowles (Norfolk-Haldimand)
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Latulippe
Leblanc (Laurier)
Lefebvre
Legault
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Lundrigan
MacDonald (Egmont)
Macdonald (Rosedale)

Division

Messrs:

MacEachen
MacInnis (Cape Breton-East Richmond)
MacLean
MacRae
McBride
McCleave
McCutcheon
McGrath
McIntosh
McQuaid
Mahoney
Marceau
Marchand (Kamloops-Cariboo)
Marshall
Mazankowski
Muir
Munro
Nesbitt
Nielsen
Noël
Orange
Osler
Ouellet
Paproski
Peddle
Pelletier
Penner
Pepin
Portelance
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rock
Rodrigue
Rondeau
Roy (Timmins)
Roy (Laval)
Rynard
Scott
Serré
Sharp
Simpson
Smerchanski
Smith (Saint-Jean)
Southam
Stafford
Stewart (Okanagan-Kootenay)
Tétrault
Thomas (Moncton)
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Valade
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—135.

NAYS

Messrs:

Barnett
Benjamin
Blackburn
Brewin
Broadbent
Burton
Douglas
Gilbert
Harding
Hellyer
Knight
Knowles (Winnipeg North Centre)
Lewis
MacInnis (Mrs.)
Nystrom
Peters
Rose
Rowland
Saltsman
Skoberg
Thomson (Battleford-Kindersley)
Winch—22.

Bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

• (1740)

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-78, an act respecting the use of the expression "Parliament Hill", with amendments, to which the concurrence of this House is desired.

[Mr. Speaker.]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before the Chair calls it six o'clock it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Fraser Valley West (Mr. Rose)—Industry—Action to avoid closing of Skil Corporation plant, Richmond, B.C.; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Industry—Action to avoid closing of Skil Corporation plant, Richmond, B.C.—Alternative employment for workers; the hon. member for Humber-St. George's-St.Barbe (Mr. Marshall)—Industry—Pulp and paper—Closing of mills—Position of discussion with industry to overcome problem.

Is it the wish of the House that I now call it six o'clock?

Mr. MacEachen: Yes.

Mr. Speaker: It being six o'clock, I do now leave the chair.

At 5.46 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

• (2010)

GOVERNMENT ORDERS

CRIMINAL LAW AMENDMENT ACT, 1972

AMENDMENTS TO CRIMINAL CODE, CRIMINAL RECORDS ACT, NATIONAL DEFENCE ACT, PAROLE ACT AND VISITING FORCES ACT

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, the bill before us is another step in the program of the government in continuing law reform. The origin of this program lies with the omnibus criminal law amendment bill which was introduced into this House on December 21, 1968, by the then minister of justice, the present Prime Minister (Mr. Trudeau). When this bill had passed into law it was regarded as a landmark by the legal profession in Canada and as a step in the developing process of law reform. Since that enactment we have seen continuing progress under my predecessor as minister of justice with the legislation of the bill on hate propaganda, the Bail Reform Act, Canada

Evidence Act amendments, and along with the bill now before us we have on the order paper a bill in regard to the invasion of privacy.

In all of these moves to amend the law we have been conscious of the view that there is an important distinction between law and morality, that not everything which some of us may regard as wrong or undesirable need be included within the prohibitions of the law. The law does not have to interfere in everything that is regarded as wrong: it need not be overzealous in this regard.

The legal system is designed to assist in the promotion of order but, of course, the promotion of order itself is desirable because of the freedom which it allows us as citizens in society. Order is important for our freedom, for the free exercise of our rights and for the enjoyment of life itself. The legal system promotes that order.

The order which we are talking about is not brought about by law enforcement alone. Law enforcement is important and we must not lose sight of the importance of the quality of the law enforcement process. That is vital. But order in our legal system is brought about, as well, by the reasonableness of the law inducing a willing compliance on the part of members of our society who see how the legal system means to provide order and how that order means to provide for their freedom.

For far too long we went without any very quick responsiveness on the part of our legislators when the law was seen to lag behind and when it was seen by many who knew it best to fail in providing reasonable solutions. It failed to do that because we seemed never to be able to give adequate attention to the question of reform and improvement of our law in the face of what some thought were more pressing problems of economics or other practical matters.

It has been the performance of this government, and it is my pledge as Minister of Justice, to provide quick action where changes in the legal system are seen to be necessary. To this end we have been improving the ability of the government, and the abilities of others have been improving at the same time, to study what changes should take place so that we can react to studied suggestions for reform. The formation of the Law Reform Commission has been an important step in this regard.

We have seen the growing strength of research in our universities and in our faculties of law across the country as well as in the Department of Justice. From these we may expect increased research and examination of the legal system, with recommendation where it may fail to provide that reasonable order to which I have referred. The bill before us contributes to the process of reform in part by establishing new offences in an attempt to secure a higher level of order through their existence. At the same time, this bill responds in other ways to views about where the law need not be and where we have been out of date in our application of either offences or procedures.

In the area of new offences, the bill before us establishes the offence of hijacking by that name and the related offences of endangering the safety of aircraft in flight and the taking onto aircraft of offensive weapons without authorization. Some of these matters may have been dealt with under existing law in other ways but here we deal with them explicitly.

• (2020)

In the establishment of these offences we have ratified the convention on the unlawful seizure of aircraft which was signed at The Hague on December 16, 1970, and the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation signed at Montreal on September 23, 1971. Among the new offences is included the offence of disturbing the peace in relation to apartment dwellings. Protection has been available to those who live in houses in the traditional style and this protection is now extended to those who live in apartments. In a slightly different legal category we propose to treat as prime facie evidence of an offence the obliteration of serial numbers of motor vehicles, for more effective enforcement of law in that area.

There is also, under this bill, the introduction of an offence for the turning in of false fire alarms. This has been the subject of bills placed before the House, most recently by the hon. member for Saint-Denis (Mr. Prud'homme) who withdrew his bill in this session when we tabled for first reading Bill C-2 which is now before us.

The bill removes certain offences and punishments from the law. Corporal punishment is removed in its entirety from the Criminal Code of Canada. We have not used very much this particular form of punishment in Canada in recent years and there has been a growing feeling that it should not have a place in our system at all. This is not to say that corporal punishment in other places and in other situations does not have its role, but we feel that in the penal system, in the penitentiaries and prisons it is out of place and undesirable as a technique for deterrence or punishment.

We have removed, as well, the offence of attempted suicide, again on the philosophy that this is not a matter which requires a legal remedy, that it has its roots and its solutions in sciences outside of the law and that certainly deterrent under the legal system is unnecessary.

The offence of vagrancy, which to this day has been applied in many different ways in the legal system, is modified very significantly. Here we have an offence which has been applied differently to the rich and to the poor in our society and we propose to move against this difference in application. There will be some who will feel that it has served useful purposes, but the question is whether when it served those purposes it was being fair to those who were caught up in it.

I believe that if we must find better ways of strengthening enforcement, we must do so in ways which are more equitable, and we have applied that principle under this legislation. In citing this change I liken the move to action which has been taken with regard to bail reform to which I referred earlier. Here, too, we recognized certain risks which the change entails, risks in regard to law enforcement and perhaps additional difficulties for our law enforcement officers. Yet the changes are necessary in order to try in some way to attain greater fairness in our law as applied to the privileged and to those who are less privileged, to the rich and to the poor. This is an ideal which we must always keep before us. It is not one easy of

attainment; it is not one which we should expect to attain very soon, but it should be a goal toward which we move.

Several other changes in the bill before us deal with matters of distinction which exist in our present criminal law as between men and women and which are increasingly under attack today. Less important among these, no doubt, is the change in the vagrancy section relating to soliciting: more important is the change which will mean that in the area of criminal law the responsibility of serving on juries should apply equally to men and women. This accords with the following view expressed in the report of the Royal Commission on the Status of Women:

> We see no reason why women should not in all cases carry the same responsibility to perform this important duty as men.

In the area of criminal law which is open to us in our jurisdiction we will make the change in this bill which renders equal treatment a fact. Another important area included in the bill relates to sentencing. First of all, we propose to put into the hands of judges and magistrates the power to give an absolute or conditional discharge to persons who either plead guilty or are found guilty by them. This means, of course, that the offender will not be convicted. This means that in certain cases, particularly of young offenders who have transgressed in a technical way without in any malicious sense having attempted to injure society, the judge or magistrate is given the power to use this approach instead of rendering a suspended sentence which might otherwise have been the next least severe penalty available to him.

Power to grant a conditional discharge will allow judges and magistrates discretion in dealing with cases where a certain course of conduct may be desirable as a result of the actions of the young offender. This may be particularly relevant in cases of simple transgression such as the simplest of drug offences. The key to how this power is used will be the way in which the judges and magistrates apply it. We are very conscious of our responsibility to help them understand the scope of their power and to promote a uniform and enlightened approach throughout the country. The judicial council, which is another new body available, will have an important role to play in helping to ensure that uniformity and understanding of this power is available to magistrates and judges.

Further discretion is given to magistrates and judges by two clauses of the bill which allow for intermittent sentencing. In sentences of up to 90 days imprisonment, the judge may impose the sentence intermittently so that if he sees the possibility of allowing the convicted person to maintain a job while serving his sentence over a longer period, he can so arrange it. We have all too often seen cases of persons convicted where the fall-out effects of the sentence, loss of job and serious economic hardship for family of the offender, far exceed the simple sentence itself. This may be more often avoided if the judge has power to make sentences intermittent so that the offender may hold his job, support his family, and also serve his sentence. In the same way, in the case of suspensions for driving we propose to allow the judge or magistrate to suspend sentence intermittently, recognizing the fact that in certain cases a man's driver's licence is itself a source of livelihood. The punishment in such a case is of a different level, a different magnitude than in the ordinary case where this principle does not apply. The judge may take this into consideration as he imposes the penalty.

[Mr. Lang.]

• (2030)

We do, in this bill, increase the penalties which may be applied in cases of obstruction of police and obstruction of justice, recognizing thereby the serious nature of some of the offences which can occur under these heads. At the same time, we provide for an alternative for summary conviction proceedings because the range of action, the kind of activity which may be involved under this offence is so broad that in certain cases the lesser penalty or lower-keyed approach is appropriate.

We also propose to provide for an appeal from conviction for contempt of court. Heretofore these appeals lay in respect of sentence only. This has been seen as a gap in the law which should both be fair and seen to be fair in dealing with persons who offend or are held to offend in this fashion. We also propose to impose a clear duty under the criminal law upon jurors to hold secret the content of their deliberations. Such disclosure by jurors has in some jurisdictions—far less in ours—brought the system into serious question and we propose to move against it in this fashion.

These changes, Mr. Speaker, represent further moves in the direction of trying to respond to the needs of today in our law, and in how our law may be viewed by people who are affected by it. As a new Minister of Justice I earnestly seek hon. members' support in carrying these changes into law. Perhaps even more importantly, I earnestly seek their support in developing further changes for equally rapid implementation into law.

In our day we can far less afford the delays which we have suffered in the past. It is more dangerous and less defensible to leave our legal system, our whole belief in the working of freedom, vulnerable to those who have a case against a particular rule when we have to agree with their case and should move to change the rule. Mr. Speaker, I urge hon. members, in that spirit, to embrace these changes, to quickly, after effective study, put them into our legal system and to work together in improving our criminal law and our legal system as a whole.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I suppose this could be called the night of the parliamentary splashdown, after several weeks of starting and stopping in this place as we took to ephemeral flights of fancy as to whether we were to be interrupted by the calling of a general election. We now, apparently, feel there is to be none and it is back to business at the old stand.

The Minister of Justice (Mr. Lang) in his first major legislation in that capacity has given us quite a bag of changes in the criminal law. There are 75 clauses in the measure we are now considering and I suppose it could be said that there are at least two dozen principles on which we have to make a decision. I think I can set the hon. gentlemen's mind at rest on most of them. They will be examined, perhaps vigorously, in committee as to the technical nature of the language or as to the reason for change, but at least on the face of it they appear to merit being passed by parliament.

There are one or two, however, that raise serious doubt in my mind and I would like to present those to the House in this brief address. But first it must be said that the changes recognize that in Canada we have had a period of inflation. If one looks at clauses 23, 28, 29, 40 and 41 one finds that the dividing line between serious offences involving theft, and non-serious ones, which used to be $50, has now been raised to $200. So under "just society" inflation you have to steal four times as much before you get yourself into serious difficulty with the law.

Clause 11 recognizes, as the minister has pointed out, that we do live in the high-rise apartment age and if you are going to stand outside on a Saturday night, or any other night for that matter, hollering and making the night ring with your noise, you will pay the penalty for it. In this case the law is simply brought up to date to recognize that the dwellinghouse is not what it used to be.

My favourite, from the standpoint of change that causes a second glance, is the one in which you cannot report your own death. This has a Mark Twain element and this is why it appeals to me. This is made an offence, and if you commit it you are in difficulty with the law. But if you kill yourself, or attempt to kill yourself but do not succeed, you are not in difficulty with the law. In other words, if I should yell out, "I am going to kill myself by slashing my throat" and I slash my throat but do not kill myself, I can end up before a magistrate for making a false report.

Mr. Lang: Maybe you should carry through for a change.

Mr. McCleave: The moral of that is that if you do something in the just society, for heaven's sake be quiet about it. The other change that appeals to the whimsical in me is clause 14 which removes certain distinctions by which some people could live off the avails of prostitution and other people could not. The distinction that is being removed means that if a woman lives off the avails of male prostitution she can now be brought into court and dealt with as pitilessly as if a male had been brought into court for living off the avails of female prostitutes, a distinction that perhaps the recent Bird royal commission had not thought about. Nevertheless, an advantage that had been given to the female criminal has been removed. Several hon. members around me think this is a noble victory for man's liberation. I cannot say I disagree with this provision but there are some measures that I think that will receive our support.

• (2040)

I think the various provisions in this bill which would eliminate whipping as a punishment are correct. This was the conclusion reached by the committee which dealt with this matter almost two decades ago. When I spoke on the same matter in this House about ten years ago, after examining the case in some detail, I felt that it was not a useful measure and should not be part of the law. The hon. member for Egmont (Mr. MacDonald), who has been promoting the abolition of whipping since 1967, will no doubt take part in this debate to approve the steps taken by the government. I see no tangible benefits that can be derived from the retention of such punishment, so I welcome its abolition.

Putting the summer joyrider in a boat on almost the same footing as the man who mixes alcohol and driving is a most welcome provision. The changes that would enable the court to deprive the driver of his off-work privileges but enable him to drive to earn his living make sense. I presume the intermittent serving of sentences means serving them on weekends, and this makes sense. It also makes sense to put women in the same position as men with regard to jury duty.

The court of appeal provisions regarding contempt, together with what I gather is an element of parole to be introduced into the courts which mete out punishment also make sense and should have been enacted earlier. Perhaps this will be a good step toward a different attitude to parole. I have often felt that the present system tends to downgrade the function of the judge who metes out punishment and must consider whether such punishment is for the purpose of protecting society. So there is an element of progress in this proposal. I support it and I hope it is a forerunner of further improved measures.

There are some issues on which I have doubts, however, Mr. Speaker. At first glance I thought the elimination of vagrancy as an offence was a great step forward. To arrest a person simply on the grounds of his or her being poor and without means of support was a degradation by society of that person and of itself. I thought it was something that could, and I am sure has been, used by the police to take a person out of circulation even without a crime being committed. The minister and I are on the same side on this one and it would take very compelling evidence that vagrancy is a weapon that can be properly used by the police to make me consider changing my mind. By "very compelling evidence" I do not mean just expediency, where vagrancy is useful in rounding up people in order to find out who committed a crime! I would not agree with that.

Doubts are also raised by clause 62 which deals with a stay of summary conviction. I wonder whether this could not be used as a substitute for the old vagrancy section in the Criminal Code and whether it would not enable police to detain people and eventually obtain a stay of proceedings against them. Such a stay now exists for indictable offences, but this measure would extend to summary convictions. I give the minister notice that I shall ask a considerable number of questions in order to determine how this power will be exercised.

I am told by critics outside the House that in British Columbia the present method of stay of indictable proceedings had led to a great number of prejudicial actions by the Crown, that it facilitates arbitrary arrests, jailing and fingerprinting or even suppression of public disclosure and nothing ever comes out in court. Eventually the accused is freed, but in the meantime he has undergone an unpleasant experience. If I thought clause 62 was a substitution for the elimination of vagrancy from the code, I would certainly want to make a different type of speech on third reading than I am making now. As it is, I indicate to the minister that he must be prepared to defend this clause with all his resources when it comes to committee.

Clause 49 deals with disclosure of jury proceedings. I welcome it in the sense that it prevents jurors from being asked by the press during or after trial to disclose what is going on in what should be a confidential forum, the jury-room. I wonder whether this provision does not go too far. Perhaps there should be a limit, so that within five or ten years of a trial a juror could be allowed to report a reminiscence of what took place. For historical purposes perhaps it would be useful not to impose any penalty, but the imposition of a time limit would remove any difficulties which might be created by press sensationalism.

I should like to devote the balance of my remarks to the clauses which make the bill a matter of the utmost urgency. These clauses deal with air piracy, hijacking and the commission of offences in flight. These are of an urgent nature and I hope the bill will go to committee, if not by tomorrow, when our time will be limited, at least as early next week as possible. I can assure the minister that we in the opposition will deal with it as expeditiously as we can. The Canadian Air Lines Pilots Association have conveyed to us, as I am sure they have to the minister, that they consider time to be of the essence with regard to the air piracy clause.

This association has written to me that if they thought there was going to be any delay in the bill becoming law, the portion dealing with airline difficulties could be severed from the rest of the bill and dealt with. However, I think the bill as a whole can be dealt with expeditiously but I want the public record to note that this is one of the reasons we want to get at it. The pilots wrote as follows to the Minister of Transport (Mr. Jamieson) during the time of the hijacking of an Air Canada aircraft:

• (2050)

> The recent spectacular hijacking of an Air Canada aircraft points out the need for immediate government action in this area.
>
> That a man carrying a veritable arsenal can board an aircraft unnoticed indicates a total lack of security measures.
>
> The Canadian Air Line Pilots Association urgently requests the Canadian government to implement effective security measures at all Canadian airports and terminals.
>
> Further delays in this matter cannot be tolerated.

I think we are all aware of the event to which this association refers. A person walked on to an airplane with a sawed-off shotgun and some 40 pounds of dynamite, and rather spectacular bravery by the captain of the plane eventually brought the man back to earth. One is entitled to ask whether the measures that are proposed in the omnibus Criminal Code bill before us are sufficient. Some argument can be made, and in fact was made in the *Financial Post* of August 21, 1971, about the pre-flight screening technique that has been used in the United States more than it has been used in Canada. I quote from that editorial:

> There have been an impressive 815 airport arrests as a result of a preflight screening technique that has been specially developed to pick out likely hijackers. While the eventual charges against those detained covered a wide range, 141 of those caught were actually carrying concealed deadly weapons.
>
> The transport association figures that in 1969 only 17.5 per cent of hijack attempts were thwarted. By 1970, as the system of preflight screening became better developed, they claim a hijack failure rate of 30.8 per cent. So far in 1971, 43.8 per cent of all attempted hijackings of U.S. airliners have been averted.

[Mr. McCleave.]

I think the Canadian public has conditioned itself to expect the strongest measures possible to deal with hijacking, including the preventive measures I have mentioned. It is not a pleasant experience to be subjected to a search outside an airplane. I am sure it has happened to most members in this chamber when bomb threats have been telephoned to airports. None the less, when you get into the air and look at that rather fragile metal cocoon surrounding you from the elements and great heights, you are happy that all measures have been taken to ensure that no infernal instrument has been brought on board which could put you into the great hereafter and the great beyond before you want to go there.

The minister and, I am sure, other ministers have received correspondence from a gentleman in Calgary, Mr. Van Wielingen. He has written to a sufficient number of people so his writings can really be classed as public documentation. I quote:

> During the first 10 months of this year I logged 72,021 air miles by commercial aircraft. Twenty-seven departures involved embarkations from Canadian international airports, 28 from U.S. airports, and six departures from airports outside of North America.
>
> In Canada, I was involved in one superficial metal-detector inspection at Vancouver International Airport in January, 1971. Notwithstanding considerable waiting time spent at numerous Canadian international airports, I never witnessed any checks whatsoever, although I had ample opportunity to do so if any had been conducted at those occasions.
>
> In the United States, I underwent nine inspections, several including thorough bodily inspections and detailed checking of carry-on luggage.
>
> On transoceanic flights I underwent three inspections.

Notwithstanding his experience, this man argued with various ministers and members of parliament for a more detailed inspection system for Canadian airlines and Canadian airports.

The hon. member for Calgary North (Mr. Woolliams) would normally be carrying the burden of this bill but he is on special assignment to the United Kingdom. However, I think it should be noted that he has presented a measure on air piracy as a private member's bill. Along with the hon. member for St. John's East (Mr. McGrath) and other members of the official opposition, he has consistently argued for quick dealing by Parliament of the legislation to implement the several international conventions dealing with the twentieth century crimes, as they must be called, of air piracy and hijacking of aircraft.

It has been two years since the Air Line Pilots Association met with the former minister of justice to argue for the fastest action possible. I suppose parliament really is not in tune with the jet age, because two years is a long time to wait for remedies. Now that we have embarked upon this legislation, hopefully we will get on with the job and before too many weeks have passed our law enforcement people will have something with which to deter or cut out altogether one of the sophisticated crimes of this era.

I think I have indicated to the minister areas where he can expect opposition and areas where he can expect support. I have tried to do this in the spirit of trying to make the Criminal Code as good and as enlightened an instrument as possible. We will deal further with it in committee.

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to preface my remarks by congratulating the Minister of Justice (Mr. Lang) on his appointment. I was delighted to hear him say he would take quick action with regard to the criminal law when and where changes seem necessary. If he adopts that philosophy, I think he will have the support of many members of the opposition.

Canada needs a more contemporary criminal law, one which is credible, enforceable, flexible and compassionate. If we are to have a just society, we must begin with just laws. Nowhere is this more important than in the realm of criminal law. It is here that the most fundamental values of life, liberty, dignity and property are to be protected and sanctioned. It is here that the measure of our commitment to these values will be tested.

The minister mentioned some of the reforms we have passed in this House in the past five years. He properly gave credit to the Prime Minister (Mr. Trudeau) and the now Minister of Finance (Mr. Turner). Probably most of that praise should go to the Minister of Finance. I will mention just a few of the reforms we have passed. There has been the abolition of capital punishment except in the case of the killing of prison guards and police officers. We have had the omnibus bill amending the Criminal Code which dealt with, especially, abortion and driving offences. We have had certain changes with regard to our drug laws and criminal records, and we have had the bail reform legislation. These changes were welcome and the changes in Bill C-2 are welcome. But they still fall far short of the ideal of a criminal law which is enforceable, flexible and compassionate. This is why the Minister of Justice mentioned the law reform commission. I think of the adversary system which the former minister of justice said was in many ways a myth. I think of the concept of *mens rea*. The minister mentioned sentencing procedures. I cannot help thinking of the important role judges must play in the future. I read in Karl Menninger's book "The Crime of Punishment" the following passage:

• (2100)

> The plight of the judge is worthy of special attention. He is usually the most intelligent individual in the system but he gets too little opportunity to use this intelligence. He must sit passively during the delivery of all sorts of mumbo-jumbo, striving to get some idea of the situation from poorly organized, tendentious stories. His observations are interrupted repeatedly by ritualistic trivialities, and he comes at last to the chore of selecting archaic medieval remedies for the treatment of an acute social and personal problem.

I should also like to quote the words Mr. G. K. Chesterton attributed to a judge passing sentence:

> I sentence you, prisoner at the bar, to three years' penal servitude in the firm and God-given conviction that what you really require is three weeks at the seaside.

This underlines the importance of studying in depth sentencing procedures which prevail. A widely shared attitude toward the criminal law today is what one might call a law and order approach; the attitude is one which is punitive, coercive and retributive. We must develop a system based on a reformative approach—reformative, educative and rehabilitative.

When I read a summary in the Toronto *Star* of the speech the minister gave before the graduating class at Osgoode Hall I was left with the uneasy feeling that he was taking the law and order approach. He spoke legalistically, almost impersonally. I hope this is not what he intended because in my view it is necessary, as I say, that he take an approach which is reformative and rehabilitative. When I see provision made for increases in penalties with respect to certain offences, I again become apprehensive that the law and order approach is the one being taken. I hope I am wrong.

I was encouraged by the remarks the minister made this evening outlining his philosophy and I am sure he was sincere when he told us he would take quick action to make changes where changes appear to be necessary. At this point I should like to add that the Solicitor General (Mr. Goyer) appears to be adopting a reformative approach. There has been no criticism from members of my party of his action in arranging special leave for prisoners or his proposal to place certain inmates of corrective institutions in the homes of senior citizens as part of a program for their rehabilitation. I hope this attitude continues to prevail and I hope the Minister of Justice adopts a similar attitude.

The Minister of Justice comes to this House with many academic distinctions. He is now being tested on the basis of his practical experience as it relates to the law. I am sure he will be able to apply his academic experience to practical concerns and evolve progressive measures as a result of total exposure to all these issues. The first criticism I wish to direct to the Minister of Justice concerns the title of the measure we are considering—the title Criminal Code. The Solicitor General attempted to bring forth a bill called the young offenders act in substitution for the Juveniles Delinquents Act. Many of us thought it should not be called the young offenders act but the children and young persons act. Maybe we have reached a stage at which we could put aside the words Criminal Code and replace them with more appropriate wording. Speaking off the top of my head, I would suggest "the adult persons act". After all, many of the offences mentioned in the code are not criminal in the real sense of that word. I have in mind offences such as vagrancy, attempted suicide, prostitution and the possession of drugs such as Arthur Maloney, the noted criminal lawyer, described as crimes without victims. Surely they do not belong in the Criminal Code. I think it is time we realized that the origin of many of these offences is social; that many of these problems are social rather than criminal in nature.

Bill C-2 is omnibus in its nature and we in the New Democratic Party give general approval to the measures proposed. At the same time, we hope we can put forward constructive criticism. The first suggestion I would make has to do with consultation on a national scale—consultation with attorneys general of the various provinces, police officers, parole and probation officials, law professors, criminologists and last but not least inmates of correctional institutions. I believe that before we implement Bill C-2 these people should be called before a committee to give the minister and his officials the benefit of the experience they have acquired over the years and, on this basis, to voice their criticisms of the provisions before us.

Only recently, Alex Edmondson, a former director of the John Howard Society now associate professor at

Ottawa University, speaking on a program called "Viewpoint" said that recommendations which were set forth by inmates of Kingston penitentiary in the early thirties have now, in 1972, been fully implemented. Surely it is time we were given the benefit of a broad range of views on this important bill so that we may use them as a basis for improving the code. There has been no consultation on a national scale in connection with the provisions of Bill C-2 and I hope the minister will see to it that the experience and expertise I have mentioned is made available to the committee.

Bill C-2 makes provision for between 15 and 20 changes. Some of them are substantive in their effect upon the law, others are procedural and consequential in nature. I intend to deal with some of these matters and my hon. friends will deal with other aspects. The first subject I should like to deal with concerns aircraft piracy which is dealt with in clauses 3 and 6 having to do with offences committed on aircraft, hijacking and offences endangering the safety of aircraft in flight, rendering aircraft incapable of flight and the offence of taking onto an aircraft weapons and explosive substances. These changes have arisen out of the Convention on the Suppression of Acts of Unlawful Seizure of Aircraft signed at The Hague on December 16, 1970, and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation signed at Montreal in 1971.

• (2110)

The law affecting piracy of aircraft and related offences is international in nature and scope. Its application and enforcement is dependent upon the acceptance of international treaties and conventions. Most countries have realized that the safety of innocent passengers in flight far transcends political motives and acts, and that hijacking cannot be excused as a political action. I should note that the Canadian delegation played a very active role at the conference in promoting a generally acceptable treaty and was particularly instrumental in securing the adoption of strong prosecution provisions. It therefore makes us realize that the job now is to make the treaties international in scope. At the first convention only 55 countries attended, and in view of the many countries there are in the world the support of a great many more is needed.

It has been said that there is also the necessity for strengthening security at airports. I think that all of us would want to congratulate captain Vern Ehman and purser John Arpin for the courageous and constructive action they took regarding the attempted hijacking at Calgary. I think we owe them and other pilots and crew personnel the duty to make sure that this law becomes operative and to make the strengthening of security at airports far stronger than it is at present. Therefore, we of the New Democratic Party support the measures dealing with piracy of aircraft.

The second main area I should like to deal with is corporal punishment. The amendments indicate the number of crimes that carried with them corporal punishment as part of the sentence. May I remind the House that it was in March, 1969, that the Ouimet report came forth, which studied the criminal law in depth. Many recommendations were made in the report and I should like to refer to page 207 where the following appears:

[Mr. Gilbert.]

The committee deems it necessary to record and deplore the fact that corporal punishment may lawfully be included as part of a sentence imposed by a Canadian court. Despite the fact that sentences of whipping are rarely imposed by present-day courts, the emphasis on liability to be whipped in the Criminal Code presents an astonishing anachronism.

Then further on:

The committee considers that the imposition of such punishment is brutal and degrading both to the recipient and the person imposing it.

Therefore, Mr. Speaker, the committee recommended the abolition of corporal punishment, and I must congratulate the minister for incorporating this recommendation into the provisions of Bill C-2. It is not only corporal punishment as part of a sentence with which we must concern ourselves, but corporal punishment in regard to disciplinary action in penitentiaries. At page 323 of the Ouimet report there is reprinted some evidence given before the Standing Committee on Legal Affairs on November 25, 1968, by the commissioner of penitentiaries. I directed a question to him as follows:

Mr. Commissioner, I would like to direct other questions to you with regard to corporal punishment—

MR. MACLEOD: —As far as institutional corporal punishment is concerned, it cannot now be imposed in an institution without the specific approval of the commissioner of penitentiaries. Of course, we have very elaborate regulations governing the manner in which it is to be imposed. No more than ten officers can be present. The prison psychiatrist or medical doctor must be there; the warden or deputy warden must be there. The punishment can be stopped at any time by the doctor or the psychiatrist or the warden or deputy warden. Of course, the only problem with making rules about corporal punishment is that the more humane you try to make them, the less humane the operation looks in the end result. My own feeling is that the tendency is for it to go into disuse as a possible prison punishment, and, of course, when that happens then presumably the regulations in the act will reflect the practice.

Then I asked:

In other words, you would not have any objection if I brought forth an amendment to repeal that particular section?

Mr. MacLeod replied:

I would not, no. As a judicial punishment, it is remarkable that it is reserved under the Criminal Code for offences that involve the use of violence or the threat of violence by the offender. Our people seem to think that it may have a useful short-term benefit if it is imposed on an offender but ultimately, society reaps more violence from him than it inflicted upon him.

They were the comments made by the former commissioner of penitentiaries. This week the Solicitor General appeared before the Standing Committee on Justice and Legal Affairs and when I asked him about the use of corporal punishment in institutions he said that he was opposed to it. When I put the same question to the present commissioner of penitentiaries, he was certainly ambivalent with regard to it. I ask the Minister of Justice to join with the Solicitor General in his view of the use of corporal punishment as a disciplinary measure in penitentiaries and to make the appropriate amendment to the requisite acts to do away with it. When a committee says it is degrading, inhumane and that society reaps more violence by its infliction, it is time we took action.

The amendments abolishing vagrancy regarding prostitutes are also welcome and in keeping with the recommendations made in the report on the status of women. I

am sure that the Minister of Justice and others recall the Wolfenden report in England where this problem was studied in depth and many recommendations were made. At page 370 of the report on the status of women the following appears:

> In the words of the Wolfenden report, prostitution "... has persisted in many civilizations through many centuries and the failure of attempts to stamp it out by repressive legislation shows that it cannot be eradicated through the agency of criminal law." The Prevost commission indicated that the public did not favour the punishment of prostitutes even though it considered prostitution morally wrong. Briefs presented to the commission pointed out that prostitution is fundamentally a social, not a criminal, problem.

Therefore, it was recommended that the appropriate sections of the code dealing with prostitution under the vagrancy provisions be repealed. I note that in the bill a new offence is made of soliciting prostitution. I ask the minister to consider the recommendation made in the report on the status of women, that this offence should more properly be dealt with by bringing a charge under the disturbing the peace section.

• (2120)

I have found that it has been unfair in many cases where a prostitute is charged under the act because very often inmates of the bawdy house are not charged. This creates an unfair situation between the persons participating, more especially the male participants. It would be far better to lay a charge of disturbing the peace than soliciting for prostitution. I thought the minister was quite right in saying that the vagrancy provisions in the code create a difference between treatment of the rich and the poor.

The next area I should like to deal with is that of attempted suicide. It is rather remarkable that we in Canada are now getting to the position where we want to abolish the offence of attempted suicide, particularly when we think of England which abolished it in 1961. They said this was done after many years of resistance. Of course, relatively few persons are affected directly by this provision; the number of persons convicted for this offence last year, before repeal, was only 460. Twenty-one of them were sentenced to prison for periods of between three and six months.

The study also indicates that the arguments which were used for and against repeal are still instructive. Very few of those who defended the old law which punished suicide attempts did so on the ground that suicide was harmful to others or to society in general. Nor was the argument often heard that the law prevented suicide through fear of punishment. The main argument was that even if the law was ineffective through its sanction, the retention of attempted suicide as a crime sustained and reinforced the moral and religious condemnation of it; consequently, repeal of the law would weaken this condemnation and cause moral opinion to move in a permissive direction. That was said in 1961 in England. Now we are taking the same human approach with regard to the problem of attempted suicide and we are placing it more in the field of a medical and social problem rather than a criminal one.

The next area with which I should like to deal involves driving while disqualified and the prohibition part of Bill C-2. As you know from your experience as a lawyer, Mr. Speaker, the present law imposes serious hardship on an accused and his family if the accused requires his motor vehicle to earn a living. I am thinking of truck drivers, taxi drivers and travelling salesmen. The new law modifies this hardship, and we welcome it.

It is rather striking that the Scandinavian approach with regard to drunken driving has made this offence almost non-existent in those countries because of the sureness, swiftness and severity of the prohibition that is so well known by the people. When I think of the number of people who are killed and maimed, I believe we probably have to reconsider some of the driving charges where drink is involved. I welcome this change in the case where disqualification or prohibition would directly affect the earning power of the person involved.

The hon. member for Halifax-East Hants (Mr. McCleave), pointed out the changes in respect of theft, namely, the change from $50 to $200. This certainly indicates the inflation factor but at the same time it points out the necessity for change. The next area I should like to deal with is that covering the broadening jurisdiction of the courts in respect of offences. It is now proposed that the offences of bribery, rape, attempted rape, manslaughter and causing death by negligence will be tried not only by the supreme court but also by the county court. This raises the question of the absence of murder and treason and I should like to put the minister on notice to give his reasons for making that change and not including the offences of murder and treason in giving both the supreme court and county court jurisdiction.

The question of jurisdiction raises the problem of whether we should use the English approach, where they have specialized courts dealing with criminal law, divorce, chancery matters and so forth, or whether we should merge the present supreme court and county courts, having them act as a unit covering all offences. I think I would be fair in saying that at the moment the only difference between the county court and the supreme court is really a question of quantum. We should give some attention to the merging of the county and supreme courts.

The Minister of Justice waxed eloquent with regard to the changes concerning conditional and absolute discharge, and I thought he was right in doing so, and taking a great step forward from the approach of suspended sentence to that of conditional or absolute discharge. This is a giant step forward. I was happy to see that not only if a person pleads guilty, but when a person is found guilty and a conviction is registered we will give the judge discretion to grant an absolute or a conditional discharge if it is in the best interest of the accused and is not contrary to the public interest. The result will be that in time the offence will be deemed not to have been committed.

One may ask why we have advanced from the suspended sentence approach to the conditional or absolute discharge approach. We have experienced so many convictions, more especially convictions affecting the children of middle and upper income groups, that the government was bound to act in this matter. It had the same problem

when we brought forward the Criminal Records Act, because many sons and daughters of rich people found that the restrictions of a conviction, in regard to employment, travel and bonding, were too severe. Therefore we brought in amendments to the Criminal Records Act.

I would assume this to be one of the underlying reasons we are bringing forward this amendment. I do not justify it on those grounds but on the ground that it will affect all persons who are charged. I thought the minister was quite right in saying it grants a tremendous discretion to judges. It imposes upon him as Minister of Justice the job of selecting as judges men who are enlightened and have in mind the reformative and rehabilitative rather than the punitive and coercive aspect. If we get that type of person acting as a judge, applying attitudes of reformation and rehabilitation, I hope he will not be influenced by any difference in income or status of young persons who appear before him. If he is not, then we will have taken a giant step forward in respect of this problem.

• (2130)

Mr. Speaker, the minister was quite right in saying that another advance has been made in the inclusion of the provision regarding the serving of intermittent sentences. How many times has a man lost his job, having received a short sentence of jail or reformatory. The loss of his job has affected the security and the happiness of his family. The provision for the intermittent serving of sentences where the sentence does not exceed 90 days is a welcome step forward and I hope that judges will use it frequently in sentencing. It will enable a person to hold his job and to retain contact with his family. It is a step in the right direction.

I said at the beginning of my speech that Canada needs a criminal law which is credible, forcible, flexible and compassionate. I said that we have not gone the full distance but we are moving in that direction. The Minister of Justice said that he seeks the support of the members of this House in making changes to the criminal law. He can be told that he has our support because this matter far transcends political parties and necessitates the co-operation, participation and partnership of all of us to ensure that we develop a system of penology which is consistent with attitudes of reform and rehabilitation and is credible, forcible, flexible and compassionate.

We in this party support the provisions of this bill and I hope we can bring forward constructive criticism when the bill is referred to the standing committee.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I am glad to be able to make a few comments on this bill. First I want to congratulate the minister on his new appointment. I congratulate him also on the fact that he has been able to introduce as his first substantial measure this very excellent bill amending the Criminal Code. The high quality of the speeches of my friends the hon. member for Halifax-East Hants (Mr. McCleave) and the hon. member for Broadview (Mr. Gilbert) has been an indication that the spirit of the House with regard to these matters is not, and should not be partisan.

There is a reasonable approach, not only by members of the House who are members of the bar and have practised

the law but by members who have an interest in this matter. It is an indication of their earnest sincerity in their attempt to improve the quality of our laws. The minister had to carry a heavy burden in his previous portfolio. If I were speaking on matters having to do with his previous responsibility, I could not congratulate him. But this is a reward for a minister who has laboured hard and zealously. He still has the burden of the blind goddess in one hand and the sack of wheat in the other. I think it is bound to cramp his style to some extent.

I will not go into the details of the bill, with the exception of one issue on which I will make a few general comments. I notice there is an amendment in the bill with regard to the breathalyzer test. When the minister responds, I wonder whether he would give an indication with regard to the situation which exists so far as concerns various judicial decisions which have been made. How does the breathalyzer provision stand now, to what extent is it valid, what is the status of some of the appeals, and when will there be an authoritative decision from the Supreme Court of Canada?

I was following this matter with interest but work has prevented my continuing to do so. Perhaps the minister will be able to indicate that there have been settlements. My understanding is that there have been some successful challenges to the legislation. I think there was one decision which validated it and a more recent decision which invalidated it because of certain facts. I know that the former minister of justice did have some problems there and perhaps the minister will be able to bring us up to date.

I do not wish to deal with particular issues. My hon. and learned friend, the hon. member for Halifax-East Hants, has indicated our approach. We will examine the proposed amendments with care and be prepared to make suggestions as to changes from time to time. However, I want to make one or two general observations and suggestions to the minister. I know that we have a law reform commission. I know there are some professionally trained people in his office. But I think, Mr. Speaker, that it would not be without benefit if the standing committee of the House, in addition to the excellent work it does—and I only regret that I am not able to be a member of it as I used to be—had a general observing jurisdiction to deal not only with legislation which comes before it, not only with private members' bills which may be referred to it, but to look at the question of criminal law reform.

This committee would work in consultation with the officials of the minister's department, with members of the judiciary, with the respective attorneys general and their officers and with members of the bar, so that there may well be an opportunity for legislation, not to be initiated—I know the responsibility for initiation of legislation is that of the government—but to be studied by members of the House who are probably in more continuous and closer contact with members of the public. I refer particularly to those members of the committee who when they are at home or travelling in other parts of Canada are bound to pay close attention to observations and discussions about the state of the criminal law and the feelings of people, and are bound to be influenced by the impact of the criminal law upon the people of Canada.

They might well act through the committee or subcommittee in making suggestions to the minister and to the House about changes in the law.

I realize that the minister's department has a very heavy responsibility. There are problems with regard to drafting legislation, and the complexities of the legislative system under which we now live place a heavy onus on the government. It is not easy any more to find people of the professional status which is desirable. Without in any sense qualifying the value to the country and to the government of the officials in the minister's department, there is a substantial role to be played by the Standing Committee on Justice and Legal Affairs in being engaged in a continuous examination of the effects of the necessary changes in, and the proposals in respect of, the criminal law and its administration in Canada. It would not constitute an alternative but a supplement to the functions which are exercised by the other groups which I have mentioned.

• 2140

I also want to make a comment on the statement made by the right hon. Prime Minister (Mr. Trudeau) at the time when the minister's predecessor called a national conference on law, in January. In reading that I was particularly struck by what the Prime Minister said about the adversary system. I believe in the adversary system. I say this because it struck me that the Prime Minister at that time was rather inclined to take the position that there is some merit, if not immediately in dispensing with that system then at least in moderating it.

Through the ages, both in the House and in the courts of this country, in fact in the courts of all civilized countries, it has been through the medium of the adversary system that we have come closer to an approximation of the truth. There is nothing more calculated to bring out the true facts than a witness being called to give testimony in public, standing up before a man accused of a criminal offence and in front of the public being cross-examined under the keen eye and scrutiny of an experienced judge, knowing he is going to be cross-examined by counsel for the other side.

There is nothing more calculated to permit a court to arrive at the truth which is so essential to try to bring about, not judicial perfection—we do not get that—but the closest thing to it which is possible under our system. I will be fair and admit that the Prime Minister's statements were somewhat ambiguous, but I felt at the time that it was essential that someone should take the position that it is not proper, that it will not be adequate and will do a great deal of harm for us to suggest that the adversary system should be abolished either in this House or in the courts of the land. There may be some changes made, yes—but abolition, no. We change, of course. When I was younger in the practice of law I liked nothing better than a good fight. I have now moderated. I approach my duties at the bar as I do in this House, with the moderation and ease which I think are essential.

If I may, I will illustrate that by a story. Many years ago when I was a great deal younger than I am now, the first case I ever had in the appellate division in Alberta involved a young woman who had come up into the Peace River country, taken up with a homesteader and was living with him. She persuaded him, by measures which I leave to the knowledge of hon. members who are knowing in the ways of human nature, to give her a half section of land. Ultimately their liaison terminated; she left, and he came to me to bring an action to get the land back. I was successful in the court in the first instance and he got the land back, but she appealed. As this was my first appeal, I had memorized my peroration to the court of appeal: "My Lords, it is a terrible thing that this young and attractive woman should be able to seduce this poor old man of 60 and take his land away from him."

Just as I said this, I knew I had said the wrong thing because the chief justice was 88 and in fact all the judges were over 75. There was a pause in the court. These five white heads drew together and then the chief justice said to me, "Mr. Baldwin, how old are you?" I admitted to the tender age of 26. He then said, "It isn't relevant to this case, but it is our opinion that at 61 you are not senile and it is just as pleasant to be seduced at 61 as it is at 26." Having now come close to 60, Mr. Speaker, I know what he meant. We do change; our approach is a little different. I may not be as eager for the adversary system as I once was, but I say that there is a limit to which the system can be changed.

I want to close on this note, Mr. Speaker. I have spent all my professional life defending people in the criminal courts. Now I have changed and I am defending taxpayers from the government. But it is very much the same thing. The fact is that I believe in reform; I believe in moderation; I believe in the sanctity of the individual first. However, I want to issue a warning that we are now moving in our society on this continent and in many other parts of the civilized world into a situation where because of conditions that exist in large metropolitan areas there is a strong movement, in some cases represented by undesirable elements—a genuine movement, and it is not an organized movement—toward a greater degree and need for stability in our society, stability in our life, for the retention of the family as the pivot of our society.

That feeling will have a very considerable impact on the extent to which law reform is going to be brought about. I do not mean by that to suggest to the minister that he must from time to time take this into account. He need not ignore it. I point out that it is there and I say it is very important, because the extent to which we can move forward and make changes must be modified by the mores of our society. This is a fact of life that cannot be ignored. It is for this reason I have urged that the involvement of the standing committee, being composed of members of this House who have to seek election from time to time, would provide a very stabilizing and moderating influence on the type of law reform which we need from time to time in the Criminal Code.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in the few minutes left tonight I would like to make some comments on this bill. The bill contains many amendments that private members have requested for several years through private members' bills. Although we do not get many of our private members' bills passed, this government bill incorporates several of them and in a way constitutes a victory for all private members who

persisted for years and years in putting forward their ideas.

This is a very humane bill, one which responds to many requests for justice by ordinary people. One matter in the bill that I raised in the House several times is that of aircraft hijacking. It is a question of great concern not only to the travelling public but to the airplane crews who have to fly day after day. Although the provisions of the bill are tough and comprehensive, their purpose is really to deter hijacking. As a matter of fact it is my opinion that the purpose of the criminal law is to deter, and if it cannot deter then it should be directed toward rehabilitation.

It is my hope that the provisions of this bill on hijacking will deter and reduce that problem. We know it is a complex problem. Its solution requires the co-operation of other countries. Canada, along with many other countries, has been trying to negotiate treaties which will help in the enforcement of these kinds of provisions. I am very pleased that the government has come forward with these anti-hijacking provisions.

• (2150)

There are other items in the bill which respond to the wishes of hon. members. There is the abolition of corporal punishment, whipping, and there is the clause concerning false fire alarms. Last year the hon. member for Saint-Denis (Mr. Prud'homme) introduced a private member's bill on this subject because a man in Montreal was killed as a result of a false fire alarm. This could be just as dangerous as many other crimes and could involve people in situations where their lives could be endangered, so we are also pleased to see this item. The item which provides for jury duty for women is one which was raised in parliament in recent years by the hon. senator from Fredericton. In the other place she introduced a motion to bring about this reform and she is very pleased to see it in the bill.

One of the outstanding reforms in the bill is the clause which deals with conditional or absolute discharge. A great many people believe that the deterrent effect of criminal justice can be achieved just as effectively by charging a person with an offence, bringing him before the courts and dismissing the charge without any criminal record once the accused has appeared before the judge. This will achieve a great deal because it is sometimes felt that penal institutions only serve to accentuate the criminal behaviour of inmates. I think we can achieve our purpose of criminal justice more effectively with provisions such as this, and I congratulate the minister.

Another reform awaited by many accused in this country is the one which permits the judge to make an order for the prohibition of driving at specified times and places. I know of two cases pending where the accused have requested postponement of their trials until passage of this bill. The individuals concerned need their licences in order to work. They are truck drivers and if they lose their licences they will lose their jobs. This will cause a lot of unnecessary hardship. The provision which allows a judge to take away a licence for specified periods of time, say weekends or evenings, is much better.

[Mr. Allmand.]

I hope the Minister of Justice (Mr. Lang) will deal with another matter which concerns me. That is the provision of legal counsel to people accused of criminal offences. I hope the government will introduce a plan to assist accused persons with legal aid. Ontario has a complete system of legal aid and Quebec has proposed a system which I do not believe is as good as that of Ontario. But a legal aid system for criminal justice right across the country should be introduced soon.

Mr. Speaker, I congratulate the minister and the government for bringing forward this bill which incorporates so many of the ideas put forward by private members.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I want to make reference only to two matters in the bill at this stage. I have been critical of the slow pace of change made by the government in implementing the recommendations contained in the report of the Royal Commission on the Status of Women, but two of those recommendations are embodied in this new legislation. Reference has been made to both this evening but I want to take a moment to speak about them.

The vagrancy section has been repealed. This was recommended in the section of the commission's report entitled "Women under the Criminal Code". The investigations of the commission showed real sex discrimination in the vagrancy section. When pressed by the public, the authorities have tried to clear the streets of prostitutes. However, many of the so-called prostitutes were not arrested for prostitution at all, but for vagrancy. Men were never picked up for vagrancy and consequently there was discrimination in the code. The commission recommended that section 164(1)(c) of the Criminal Code be repealed. This has been done, and I think the minister has gone even further by making the section relating to soliciting equally binding on men and women. This is a very welcome change in the code.

The hon. member for Notre-Dame-de-Grâce (Mr. Allmand) has referred to the matter of women on jury service. It was a recommendation of the Royal Commission on the Status of Women that women should be given exactly the same conditions of jury service.

May I call it ten o'clock, Mr. Speaker?

BUSINESS OF THE HOUSE

Mr. McCleave: Mr. Speaker, I would ask the Minister of Justice what the business of the House will be until one o'clock tomorrow afternoon.

Mr. Lang: Mr. Speaker, I believe it is the intention to continue with this item, followed by Bill C-6.

PROCEEDINGS ON ADJOURNMENT MOTION

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

INDUSTRY—ACTION TO AVOID CLOSING OF SKIL CORPORATION PLANT, RICHMOND, B.C.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in rising to participate in the debate tonight I could probably just as well read the speech I made on June 22, 1970, because it dealt with precisely the same matter. I think it has identical implications and concerns the closing of a Canadian subsidiary of an American corporation that was once an independent Canadian company.

I am dealing with the problem faced by people who are employees of the Skil Corporation which purchased the Canadian Chainsaw Company located in Richmond, British Columbia, in the constituency of my good friend the hon. member for Burnaby-Richmond-Delta (Mr. Goode). I do not quite understand why I am called upon from time to time to take up his case, Mr. Speaker: this is the second time in two years, and we have yet to hear publicly from the member who represents that constituency. If he is not particularly interested in this problem I should like to indicate that other members from British Columbia are and think it is worth while.

I asked a question of the Minister of Industry, Trade and Commerce (Mr. Pepin) on March 21 relating to the closing of this plant with the subsequent loss of from 125 to 150 jobs for Canadians. The ostensible reason for the plant closure was that there existed in the United States excess plant capacity to produce these chainsaws under Canadian patent. They will be produced in Chicago and imported into Canada.

• (2200)

I think this case is particularly significant. It indicates the general trend and problem faced by Canadian manufactuers, especially those industries that have been purchased by corporations beyond our national borders. Most of us can appreciate the problems faced by such a corporation, with its head office and main decision-making centre beyond our borders when there are domestic problems of unemployment similar to those of our own. I suppose it is only natural that if a large plant happens to exist in the United States with unused capacity, and there is a Canadian operation here, that it be rationalized into the American industrial complex. The priorities of that foreign corporation would demand that the plant outside its borders be closed down and the jobs and plant capacity used for the benefit of the nationals of that country. In this case, it happens to be the United States.

Many people are concerned about the increasing amount of dominance of the foreign corporation in the manufacturing sector of our economy. This is why from Walter Gordon to Watkins to the present Minister of National Revenue (Mr. Gray) the subject has become one of increasing interest and study. The problem is not linked to British Columbia but I think it provides an interesting example. It is not because this particular plant, operating on a Canadian patent and Canadian development, is not making money. I have documents here and if pressed I will quote from them to indicate that the company is making a profit in Canada. However, because the profit is only marginal, the plant intends to close and therefore 125 to 150 jobs are being denied to Canadians.

While the government has allowed this to happen, it has moved with its customary band-aid approach. I am not criticising this. I think it is only right. It is the old story of locking the barn door after the horse is out. Manpower is spending considerable public funds to retrain and relocate those people who were displaced by this particular move. This is typical of what can happen when a government turns a blind eye to the problems of priorities concerning the employment of its nationals.

Of particular significance is the fact that this particular dimunition of employment occurs in the manufacturing area of our economy. It is well known to people who have studied these matters that manufacturing or secondary industries tend to be much more labour-intensive, that is, produce more jobs, create more employment and produce more money for our economy than do the resource industries upon which Canada has been dependent.

Mr. Deputy Speaker: Order, please. The hon. member's time has expired.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, in the middle of 1970 the company to which the hon. member has referred first indicated that they were considering closing the plant in question because of marketing problems which the company was then encountering. At that time the officials of the Department of Industry, Trade and Commerce had discussions with management of the company expressing concern about the curtailment of the operation and pressed the company to consider alternative solutions to their problem which would not require cut-backs in that plant.

I may say in answer to the hon. member who raised this question that members of parliament from this area and supporters of the government find it possible to make direct representations to the minister and that they do so very effectively. Since the date mentioned, the market for chainsaws has become increasingly competitive, and in order to realize the necessary economies of scale the company decided in July to cease chainsaw production in Richmond. Some components will continue to be manufactured in Toronto and this should result in a small increase in employment there.

Officials of the department have again held discussions with the company, but the company has advised that its decision to close the plant is irrevocable because of economic conditions. In some cases employees have been offered alternative employment in other plants of the company, and the company is working closely with officials of the Department of Manpower and Immigration to assist employees to obtain work in other locations. I am glad the hon. member recognizes the merit of these efforts to help the employees involved. I am not surprised to learn that he does not appreciate the nature of the economic difficulties which can occur when profits are small or inadequate. He would, of course, be more sympathetic to the procedure adopted on occasions in my own province of Saskatchewan following the serious failure of plants operated there by the government.

Mr. Knowles (Winnipeg North Centre): You had better stick to justice.

Proceedings on Adjournment Motion

INDUSTRY—ACTION TO AVOID CLOSING OF SKIL CORPORATION PLANT, RICHMOND, B.C.—ALTERNATIVE EMPLOYMENT FOR WORKERS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, like the hon. member for Fraser Valley West (Mr. Rose), I raised this matter two years ago and, also like him, I raised it a very short time ago. I have no doubt that other members are interested in this plant. But when the minister says the Liberal members have been very effective in making representations to the Minister of Industry, Trade and Commerce (Mr. Pepin), I can only say that I am afraid the effectiveness of their representations is not apparent from the results. They have neither been able to prevent the plant from closing nor to bring out the facts of the matter.

According to the confidential memorandum we have been sent, the interoffice memo of 1969, the 1610 power-saw produced in Vancouver is actually a money maker and was expected to gross close to $5 million profit in a five-year period. It was demonstrated that in a 15-month period from December, 1970, to March, 1972, the plant produced and sent out 45,000 saws, reaching its third year projected potential in only 15 months. In these circumstances the very least you could expect from the government would be confirmation or otherwise of the truth of these facts and figures so that we could find out why this firm is finding it necessary to switch its operation from Vancouver to Chicago. From the facts and figures we have seen, it is expecting a lot of these employees to ask them to believe it is really necessary for the Vancouver plant to close down.

• (2210)

I also think that the government is settling for very much less than it should if it is simply working with Manpower to try to find jobs for the employees when the plant closes down instead of making some effort between time. If the efforts of the Minister of Industry, Trade and Commerce two years ago in persuading the plant that it did not need to close down were successful, I cannot for the life of me understand why similar efforts are not being made at the present time. I am not saying that such is not the case; what I am saying is that we do not know the facts. Those of us who have workers in our constituencies among the 150 who will be thrown out of work on July 1 have the right to know what are the facts in this connection. For that reason I am not happy to see this veil of secrecy descend. We are given no facts. The firm has told us its story and we have to let it go at that. We believe that the government has an obligation to investigate the truth of the matter and to reveal the facts and figures so that we know the situation.

The steelworkers have done all they can, but they have been unable to get the true picture from the company. They have also ascertained that the company has not applied for government assistance of any kind. Perhaps they would not get it even if they did, but the point is they have not tried. I think that is an interesting point.

The steelworkers asked the Prime Minister (Mr. Trudeau) himself to use his good offices to prevail upon the Canada Development Corporation to put pressure on the company to stay, but the Prime Minister's office has been content to refer the steelworkers to the CDC, and as far as I have been able to learn the CDC did not reply. Nor, apparently, has the Department of Industry, Trade and Commerce, to whom they also wrote. For these reasons these workers are in a very unsatisfactory situation, being asked to acquiesce in the loss of their jobs at the end of July.

[Mr. Knowles (Winnipeg North Centre).]

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, we are all mindful of the difficulties that the closure of a plant causes its individual workers. As a result, my department, like the Department of Industry, Trade and Commerce, goes to great pains to attempt to encourage the continuation of operations, as it goes to great pains to bring new plant into existence as well as new manufacturing. This does not mean that in every case these efforts are successful; there are times when the result is that the plant closes anyway. At that point in time we have other programs that attempt to ease the burden the best way we can, in terms of finding other employment and offering assistance in the relocation of employees involved.

Naturally, in the course of the conversations between the department and the plant concerned a certain amount of confidential material is discussed and examined. From the point of view of future discussions with other companies it would not be wise to treat that material in any way other than in the confidential way it is given. This approach is taken by the department and it is one which has success from time to time, as shown by the continued operation of this plant for a period.

As I say, we regret the impact of this projected closure on individual men and women who may lose their jobs, but we do attempt to offer them such services as we can in an effort to find alternatives that are suitable to them.

INDUSTRY—PULP AND PAPER—CLOSING OF MILLS—POSITION OF DISCUSSIONS WITH INDUSTRY TO OVERCOME PROBLEM

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, as I have done for many months, I asked the Minister of Industry, Trade and Commerce (Mr. Pepin) to give me a progress report on April 20 dealing with the critical situation which exists in the pulp and paper industry. For some reason the pulp and paper industry is facing a critical situation not only in my own district but in every province and region. The most recent crisis occurred in western Canada at Ocean Falls.

The answer to my many questions has been that meetings are being held with the pulp and paper industry to consider tax relief and other methods of providing impetus to the industry in order that it may recover. The pulp and paper industry is probably the most important industry in Canada and the complacency which exists on the government side regarding this critical situation amazes me.

Meetings have been held since February, but every time I ask the minister for a progress report he says that meetings are continuing with the hope that they will come up with a solution. At the same time, people are being laid off across the country. But the Minister of Regional Economic Expansion (Mr. Marchand) is giving grants in

respect of new mills in a number of regions, transplanting employment.

One of the problems could be solved by tax relief, so that pulp and paper mills could renew old equipment. More investment could be made in the industry in this way. Other problems exist in marketing. I am asking the minister, for the benefit of Canadians, to give us something more than the reports we see in the newspapers and those emanating from the pulp and paper associations regarding the progress being made at these meetings. In this way the workers being laid off without hope of finding new jobs may have some hope in the future.

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, as the Minister of Industry, Trade and Commerce (Mr. Pepin) has reported to the House from time to time, several members of the government have held discussions with senior executives of the pulp and paper industry to discuss the marketing and production situations which face this industry. Following these discussions, concentrated work is being done at the official level in close co-operation with the industry and its associations. Several departments of government are working together as may be required to bring the right expertise to bear on the problem. The government is fully aware of the industry's current difficulties and the necessity to ensure its viability in the long term so it can contribute to Canada's economic growth.

With reference to current conditions, although the government considers the situation to be difficult and is taking steps to develop policies to help the industry and Canada's economy, the situation is improving somewhat at the moment. Shipments of the industry to date this year are 3.5 per cent higher than those of a year ago. The production of a number of products, such as linerboard, has improved substantially. Demand for pulp has tightened up considerably in the last two months, and prices should improve. There is also some optimism in regard to newsprint sales to the United States for 1972.

In relation to the particular plant to which the hon. member has referred, I understand that the major reason for closure of the mills involved obsolescence, heavy transportation charges affecting the cost of raw materials, maintenance and service and the relative isolation of the plants. This has resulted in chronic deficits and has placed these plants in economic difficulty. With the programs being developed by the companies, in co-operation with the associations and the government, it is hoped that the situation of the industry as a whole will improve, with the result that employment potential and jobs available to workers will improve.

Motion agreed to and the House adjourned at 10.22 p.m.

HOUSE OF COMMONS

Friday, April 28, 1972

The House met at 11 a.m.

ROUTINE PROCEEDINGS

TRADE

EFFECTS OF U.S. DISC PROGRAM ON CANADA—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David Lewis (York South): Mr. Speaker, I rise to move a motion under Standing Order 43 on a pressing matter. In view of the fact reports from Washington show that automobile and auto parts manufacturers as well as manufacturers of non-auto products are exporting their products to Canada under the United States DISC program, contrary to information given this House by the Minister of Industry, Trade and Commerce (Mr. Pepin), with possible serious consequences to Canadian manufacturing and Canadian jobs, I therefore move, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent):

That this House refer the subject matter of the effects of the DISC program on Canada and the urgent need to develop an effective Canadian response in order to safeguard manufacturing and jobs in Canada to the Standing Committee on Finance, Trade and Economic Affairs for immediate study and report to this House.

Mr. Speaker: The hon. member for York South proposes this motion under the terms of Standing Order 43 which requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

TRADE

TABLING OF TELEGRAM TO CANADIAN COPPER PRODUCERS HAVING CONTRACTS WITH JAPANESE PURCHASERS

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 41(2) I wish to lay on the table the text in both official languages of a telegram I have sent to Canadian copper producers who have contract arrangements with Japanese purchasers.

ORAL QUESTION PERIOD

TRADE

UNITED STATES DISC PROGRAM—USE BY AMERICAN AUTO MANUFACTURERS—REQUEST FOR STATEMENT BY MINISTER PRIOR TO BUDGET

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question arising out of a statement made last March by the Minister of Industry, Trade and Commerce, to whom, as he might assume, my question is directed. At that time the minister said the government understood that United States automobile manufacturers had no intention of using the DISC program. In view of the revelation today that Ford did establish a corporation under that program last December and is exporting cars and trucks under it, is the minister going to make a statement to the House on the subject?

• (1110)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will try to answer the question succinctly, Mr. Speaker. As my hon. friend has suggested this was my "understanding" and "impression," and I referred to it in the House always in those terms. My understanding was based on conversations I have had with representatives of the automobile manufacturing industry in Canada. I emphasized in the House that I received no commitment from them. My understanding of these conversations was confirmed by discussions which took place between my officials and officials of the United States in respect of the automobile agreement. They, too, understood the U.S. manufacturers would not use DISC. I might observe that we received information from Ford to the effect that it was registering for DISC status last week, and we received information from General Motors yesterday. So I want to stand on what I said to the House; I said it and nothing else. It has to be observed also that U.S. companies—

Mr. Lewis: On a point of order, Mr. Speaker, if the minister is making a statement he should return to motions for that purpose.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Obviously the minister must determine whether he simply wants to answer the question or revert to motions for the purpose of making a statement. If an answer is long and involved, normally the information conveyed at that point should be conveyed by way of a statement on motions. At that point the minister should seek the consent of the House to return to motions. If not, he should be satisfied with replying to the question.

Mr. Pepin: I think hon. members on the other side will have a few supplementary questions.

Mr. Peters: Chicken!

Some hon. Members: Oh, oh!

Mr. Baldwin: Mr. Speaker, when the noise has subsided I will ask the minister my supplementary question. He has already answered some questions that might have been supplementary, but let me conclude with just one question. Because of the seriousness of the problem and the fact that the DISC threat is now a reality, and keeping in mind that a budget will be presented in the House a week from Monday, will the minister seize an opportunity next week in order to make a full and frank statement of the government's position and the facts, to which there could be a reasoned response? This development is bound to have some impact on the coming budget debate, so will the minister seize an opportunity to do this early next week?

Mr. Pepin: I will do that, Mr. Speaker, but I cannot say at what precise time. It might be during the budget debate, for example.

UNITED STATES DISC PROGRAM—PROVISION TO GOVERNMENT OF NAMES OF AMERICAN COMPANIES MAKING USE THEREOF—CANADIAN PROTEST

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the minister the following question. According to the report to which reference has been made, the United States government refuses to reveal the names of the DISCS which are in place, and refuses to reveal the names of the parent companies. There may or may not be justification for that as far as the public is concerned, but I should like to ask the minister whether the government of Canada, as a partner to the auto pact agreement and generally as a partner in trade, has demanded that it be given the name of these DISCS and of the parent companies which have established such corporations so we may know exactly how our trade and jobs will be affected?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, my officers have made attempts to find out which companies were registering or applying for DISC status. They have not been successful. I do not know exactly at what level that was done, but I have already indicated this morning that in respect of Ford and General Motors we have received information from those companies that they have registered for DISC status. If the question is wider than that I will see what I can do about obtaining official information, but I have little influence on the way the United States decides to implement its laws.

Mr. Lewis: With your permission, Mr. Speaker, may I remind the minister of the very soothing words the President of the United States used—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We have not yet reached the point of debate on this matter but we should try as much as possible to limit the exchange to questions and answers.

Mr. Lewis: I will put it this way, Mr. Speaker. In view of the soothing words addressed to this House by the President of the United States, is the minister making a protest to the American administration that, as he himself said on March 17, the DISC program is a violation of the auto pact as well as all other trade arrangements under GATT?

Mr. Pepin: Mr. Speaker, this has already been done. A note was sent to the United States government last December, if my memory is good. We also made a formal protest during a debate which took place at GATT on all of the United States economic measures of August 15.

Mr. Speaker: Order, please. There are many members seeking supplementaries. The matter is important and we will spend some time on it, but I must try to establish some kind of balance between the representatives of parties in the questioning. I think the hon. member for York South should be allowed one further supplementary for the moment and then I will recognize the hon. member for Edmonton West.

UNITED STATES DISC PROGRAM—NON-IDENTIFICATION OF DISC EXPORTS FOR CUSTOMS PURPOSES—SUGGESTED PROTEST BY CANADA

Mr. David Lewis (York South): My further supplementary is based on the information that the American program does not require American exporters to export their products under the DISC name, with the result that customs officials in Canada cannot ascertain whether the products were manufactured under DISC. In view of the fact this practice seems to be a deliberate, clandestine attempt to take advantage of Canada, may I ask the minister whether the government will protest vigorously against this kind of policy by the American administration?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I said in answer to the previous question that this had already been done. I do not see what we would gain from repeating these things. I might observe en passant—

Mr. Lewis: You did not say you did it.

Mr. Pepin: I might answer this morning the question asked yesterday by the hon. member for Oshawa-Whitby. I just want to observe that the prices of the exports of an United States Manufacturing Company to Canada are not necessarily affected. It may very well decide to use the DISC advantage simply to maximize its profits. Therefore there is a distinction between the DISC effect on the profits of the company in the United States and its effect on export prices to Canada, which is an important distinction.

UNITED STATES DISC PROGRAM—PROVISION OF INFORMATION ON CANADIAN COMPANIES AFFECTED

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Industry, Trade

and Commerce. It has to do with the request of my colleague from Peace River that the minister consider making a statement next week. In the interval I wonder whether he could direct the not inconsiderable energies of his department to ascertaining from Canadian industry, which may have a fair intelligence net, what industries will be particularly affected? I have in mind the Canadian petrochemical industry, fine papers and many others. Would he do this so that he could amplify his statement and we could look at the whole question with much more information at the time of the budget debate?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this is being done by a group studying the effects of DISC in Canada. As every hon. member knows, there are a number of things Canada could do to react to the DISC effects, but it is too early for me to indicate which route the government will take.

SUGGESTED REASSESSMENT BY CANADIAN AUTO MANUFACTURERS OF POSITION IN LIGHT OF CAR PRICES AND PARTS IMPORTS

Hon. Marcel Lambert (Edmonton West): In light of the information that has been given to the minister to date with regard to two major automobile manufacturers and in light of the now public exposure of the differences in prices of automobiles manufactured and sold in Canada and the United States and the flood of automotive parts coming into Canada from the United States under the encouragement of DISC, is the government now considering calling upon the auto manufacturers to make a complete reassessment of their position in Canada, particularly as it affects the Canadian consumer?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Every word should be qualified. When the hon. member talks about a "flood of parts" imported into Canada, he should look at the answer I gave yesterday or the day before on that subject. Our exports to the United States at the moment are as good as they were at this time last year, at which time they were excellent, and they are not as good as they will be if automobile sales trends continue. There is nothing wrong with the present situation with respect to trade in auto parts.

• (1120)

With respect to prices, the other aspect of the question raised by the hon. member, I have already indicated to the House that a very thorough analysis is now being made. I personally believe that the gap in prices between the cost of production of automobiles in Canada and in the United States will always exist. The question is how wide a gap is tolerable, and I hope to give answers to that in the very near future.

UNITED STATES DISC PROGRAM—INFORMATION SUPPLIED TO MINISTER BY AUTOMOBILE MANUFACTURERS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the fact that in reply to questions by myself in the past month in the House the Minister of Industry, Trade and Commerce assured us that on the basis of his information automotive manufacturers had not applied for DISC, and in view of the fact it has now been revealed that as long ago as last fall the Ford Motor Company and General Motors Corporation applied for DISC, could the minister inform the House whether or not he was misinformed by the companies in the past about their intentions with regard to DISC or was he relying on some other source of information which perhaps was not reliable?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): As I said this morning in answer to the first question, I formed my own impressions. Whether they were right or wrong, whether it was my fault or the fault of the people who gave me the information, I will let hon. members judge.

Mr. Broadbent: Notwithstanding the minister's assurances that he will do something in the future to somehow improve the situation, would he be a little more specific in the following way: would he assure the House that within the next week or ten days he will request the heads of the automotive companies in Canada to come to Ottawa for a meeting with him to explain their intentions concerning the DISC legislation? Will he point out to them that their profits are running in excess of $150 million a year over and above what they get for similar automobiles in the United States, and would he also point out that they have had very substantial benefits and that they owe Canadian workers and consumers—

Mr. Speaker: Order, please. That is not a question. The hon. member is now making a speech.

UNITED STATES DISC PROGRAM—LAST COMMUNICATION BY MINISTER WITH FORD OFFICIALS

Mr. A. D. Hales (Wellington): Mr. Speaker, my supplementary question follows the one just asked. Have the minister or his officials contacted the Ford officials since the information was released that they have been using the DISC program as far back as December, and when did he last speak with the Ford officials?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I spoke to Ford officials at 9.10 this morning, or about that time.

[*Later:*]

Mr. Hales: Mr. Speaker, my supplementary question follows the minister's statement that he spoke to Ford officials this morning. Did they confirm that they have been using the DISC program since last December?

Mr. Pepin: Yes, Mr. Speaker, that was confirmed.

Mr. Fairweather: What a fantastic breakthrough.

Mr. Hales: Is the minister in a position to say that he misinformed the House or was given the wrong information?

Mr. Pepin: I think I have already answered that question.

Inquiries of the Ministry

AUTO PARTS—ALLEGED INHIBITING OF EXPORTS TO UNITED STATES BY STRICT ENFORCEMENT OF U.S. CUSTOMS REGULATIONS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, may I use the occasion to answer a question raised yesterday by the hon. member for Oshawa-Whitby. At that time he alluded to a statement by Mr. Wood, vice-president of the Canadian Automotive Parts Manufacturers Association to the effect that abnormal pressures were being used by United States customs officials on Canadian exporters of automobile parts. My officials have checked with Mr. Wood. He declares emphatically that he was quoted out of context. He says there is no indication that abnormal pressures are being applied at this time.

UNITED STATES DISC PROGRAM—BASIS FOR MINISTER'S STATEMENT THAT AUTO MANUFACTURERS NOT INTENDING TO MAKE USE THEREOF

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the minister. On March 28, as recorded at page 1203 of *Hansard*, the minister, in answering a question I asked him regarding DISC, said that as a result of conversations and consultations with the industry he could state that "automobile manufacturers do not plan to use the DISC facilities". I want to ask the minister specifically whether he made that statement on the basis of personal consultation with representatives of Ford Motor Company of Canada and General Motors of Canada, or between them and any of his officials? Was this statement based on hearsay, or did the minister have actual conversations with the representatives of these companies and did he receive the information he gave the House from those sources?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I think I answered that in reply to the first question asked this morning. I can only repeat that answer, if that will suit the hon. member.

Mr. Douglas: Mr. Speaker—

Mr. Speaker: Order. We will return to this subject later. I will allow the hon. member for Nanaimo-Cowichan-The Islands his supplementary and then try to see two or three other hon. members before returning to this subject.

Mr. Douglas: Mr. Speaker, I understood the minister to make a general statement about misinformation. I am asking him specifically with respect to the representatives of the two companies, Ford and General Motors. Did he have any conversations with them or did his officials have any conversations with them, and did they state categorically at that time that they did not intend to use the facilities of DISC, as the minister told the House on March 28?

Mr. Pepin: Mr. Speaker, I answered that very clearly. I said what impressions I gained from speaking with these gentlemen. This is very clear. I also said in the same answer that "no assurances had been given". That was pretty clear. These were impressions I gained from personal conversations with them and these personal impressions were confirmed, I thought, by conversations my officials had with officials of the United States government, who have apparently had the same impression. That is pretty clear.

An hon. Member: It is facts we want.

Mr. Douglas: Mr. Speaker—

Mr. Speaker: Order. As I said a moment ago, we will return to this subject and I will recognize the hon. member for Oshawa-Whitby and the hon. member for Nanaimo-Cowichan-The Islands in a few minutes. For the moment, perhaps the Chair should be allowed to recognize two or three other members, and then we will return to this very important and urgent matter.

Mr. Douglas: On a point of order, Mr. Speaker, I only wanted to ask a very short follow-up question.

Mr. Speaker: Order. Perhaps other hon. members also have very short questions to ask about the matter. These members will be recognized for that purpose in a few minutes. The hon. member for Lambton-Kent.

Mr. McCutcheon: Mr. Speaker, mine was a supplementary and I wonder if I could direct it to—

Mr. Speaker: Order, please. It seems that hon. members have not exhausted their supplementaries on this subject. We might devote another five minutes to it. First I will recognize the hon. member for Nanaimo-Cowichan-The Islands.

Mr. Douglas: Mr. Speaker, in view of the fact cabinet ministers dealing with corporations do not generally deal in impressions but rather in specific statements, did the minister at any time put the question directly to the representatives of the automobile companies concerned as to whether or not they intended to use the facilities of DISC, and what reply did he receive from them at the time such conversations were held by him or his officials?

Mr. Pepin: I can only repeat that I said no assurances had been given. I said that in answer to a question at the time. I know this is very sophisticated but maybe I can get through. There is a difference between using the DISC program to maximize profits for the United States companies involved and using the DISC program to influence the cost of goods being sent to Canada. As I say, I know this is sophisticated, but I am sure I am getting through now. It is too early in the game now to know what will be the effect on exports to Canada of the use of the DISC program by U.S. manufacturers. It may be that it will have an effect; it may be that it will not have an effect. We will watch.

Mr. Speaker: The hon. member for Lambton-Kent.

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

Mr. Speaker: Order, please. The hon. member for Lambton-Kent will have to wait a while longer because the hon. member for Wellington is rising on a question of privilege.

Mr. Hales: Mr. Speaker, my point of privilege, and I think it affects every member of the House, is that the Minister of Industry, Trade and Commerce advised the House on March 17 that the American car manufacturers, according to information that he had received from them, would not, had not and were not using the DISC program. Now we are advised that they have been using the DISC program since December. These American car manufacturers have misled the minister or given him the wrong information. I think it behooves the minister to advise the House accordingly and require an apology from the American car manufacturers in this regard.

• (1130)

Mr. Speaker: Order, please. That, of course, is not a question of privilege. The hon. member for Lambton-Kent has a supplementary.

UNITED STATES DISC PROGRAM—FORMAL DISCUSSIONS WITH AUTO MANUFACTURERS—SUGGESTED REMOVAL OF EXCISE TAX ON CERTAIN OFFSHORE AUTOMOBILE IMPORTS

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, many questions have been asked but I should like the minister to clarify whether formal talks on this matter are being organized with the United States branch plants that are operating in Canada.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, in answer to a previous question I said that I would be giving all the information I have on the subject, as I usually do, in the coming days. I suggested this might take place during the budget speech. Obviously, before making these remarks I will want to have optimum information. Optimum information obviously implies a meeting between the gentlemen mentioned, the heads of the Canadian manufacturing companies, and myself in order to obtain all the information possible.

Mr. Speaker: Order, please. Many supplementaries are being sought. For the moment the Chair will recognize the hon. member for Lambton-Kent on his supplementary and then we will determine whether we should try for two minutes to give other members a chance to ask questions subject to returning to this matter later.

Mr. McCutcheon: Thank you, Mr. Speaker, and I thank the minister for clarifying the matter as far as the companies are concerned. However, my concern is for the Canadian consumer. Therefore my question is whether the government would consider dropping the 12 per cent excise tax on low and medium-value automobiles imported from offshore—I do not mean luxury cars—so that Canadian consumers as well as automobile manufacturers could get a break?

Mr. Pepin: Mr. Speaker, I am quite sure the Minister of Finance would be pleased to send to my hon. friend a list of all the categories of producers and people in Canada who have asked for similar advantage, that is, the exemption of the 12 per cent tax.

UNITED STATES DISC PROGRAM—INTENTION OF CAR MANUFACTURERS RESPECTING USE THEREOF AND REDUCTION OF PRICES IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, the minister knows there is sophistry as well as sophistication. I should like to ask the minister for specific answers to the questions I put earlier today on the need for direct discussion by him with the heads of the automobile companies on their intentions. I should like to get answers to the following questions and not impressions. Do they intend to use the DISC legislation not just to maximize their profit position but to increase the percentage of their sales in Canada in terms of American produced automobiles as opposed to Canadian produced automobiles? Let us have a specific answer to that specific question. Second, do they intend to do something soon about reducing the prices of automobiles to the Canadian consumer? Would the minister do that within the next ten days?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will try hard, Mr. Speaker.

Mr. Speaker: Order, please. I will recognize the hon. member for Nanaimo-Cowichan-The Islands in a moment but for the time being the hon. member for Vegreville has a supplementary.

UNITED STATES DISC PROGRAM—INVESTIGATION OF EFFECTS ON INDUSTRIES IN GENERAL

Mr. Don Mazankowski (Vegreville): I have a supplementary question for the Minister of Industry, Trade and Commerce. In view of the revelation that auto manufacturers are now using the DISC program, is the minister now going to investigate actively the utilization of this program by other industries, which may be detrimental to Canadian interests?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have already said that we have a group in the government administration doing exactly that. It is trying to get all the information possible on the effects the DISC program will have on Canada. I also said this morning that the Minister of Finance, with the government, will see what the best answer to this would be.

UNITED STATES DISC PROGRAM—INTRODUCTION OF LEGISLATION TO OFFSET EFFECTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that about a month ago the government leader in the Senate stated, in a speech in Washington, that the Canadian government had detailed legislation ready to deal with DISC if it became apparent that it was going to be widely used with respect to exports to Canada, I want to ask the minister whether such legislation has been prepared and does the government intend to introduce it? In view of the fact that apparently the United States government is now embarking on a trade war, what steps does the minister intend to take, what legislation does he intend to introduce, and how soon?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this shows the difficulty involved in forming impressions. Reading the speech of the distinguished government representative in the Senate, my impression was that he said that there were on the legislative books in Canada a number of ways and means that could be used to counter the DISC program. That is what I think he said. It showed how well informed he was.

Mr. Douglas: If the government leader in the Senate knows what steps are to be taken, may I assume that the minister knows what steps are to be taken, and will he tell the House what those steps are, either now or on motions on Monday?

Mr. Pepin: Mr. Speaker, if my hon. friend will again read the speech given by the government leader in the Senate at that time, he will find a number of ways and means that the Canadian government could use. I think Mr. Martin was specific on some of these.

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FISHERIES

ATLANTIC SALMON FISHERY CLOSURES—RESPONSE OF FISHERMEN AT MEETING WITH MINISTER

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. I have read with interest the minister's statement as presented to the New Brunswick commercial salmon fishermen in Chatham, New Brunswick, yesterday. In view of the economic impact on Atlantic Canada brought about by the closing of the commercial salmon fishery, would the minister make a brief statement on the response of the fishermen yesterday to his proposals?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I can say very briefly now that the fishermen were very interested in the scheme for compensation which the government is advancing. They are interested in monitoring the recovery of the rivers and of course they are very anxious to see us get the Danes to stop fishing off west Greenland immediately.

ATLANTIC SALMON FISHERY CLOSURES—RESTRICTIONS ON ANGLING

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary question. Even though there may be certain provincial responsibility in the matter, can the minister state whether there will be restrictions on angling, particularly in New Brunswick?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, there are already restrictions on angling, as the hon. member knows. We intend to have conversations with the province, which is responsible for administering upstream angling licences.

[Mr. Douglas.]

ATLANTIC SALMON FISHERY CLOSURES—PROVISION OF ADDITIONAL SUPERVISORY PERSONNEL AND RESTORATION OF DEPLETED RIVERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask the Minister of Fisheries whether he can assure the House that, with the provision of additional funds, additional personnel will be hired to assist the river wardens in the inspection and supervision of existing rivers? Could the minister also assure the House that a program to restore depleted rivers in eastern Canada will be undertaken?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I think I can give the House those assurances. I should also like to mention that in the use of funds for compensation we intend to employ as many fishermen as possible both for policing the rivers and helping us to help rehabilitate the runs.

ATLANTIC SALMON FISHERY CLOSURES—MEASURES TO CLEAN UP POLLUTION IN RIVERS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to ask the Minister of Fisheries whether as a result of his visit to New Brunswick and his discussion with the fishermen there he gathered any fresh information on what measures should be taken to speed the clean-up of pollution of such rivers as the Miramichi in order to make anti-pollution measures more effective?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I told the fishermen that more than $30 million had already been spent on pollution abatement in the three rivers affected, the Saint John, the Miramichi and the Restigouche, that the annual operating costs of these facilities were in excess of $5 million a year, that this effort was having an effect already, and that the $5 million annual expenditure exceeds the present gross value of the commercial fishery in the total Atlantic area by a ratio of more than two to one.

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THE CANADIAN ECONOMY

FOREIGN INVESTMENT—DATE OF STATEMENT ON GOVERNMENT POLICY

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I have a question for the Minister of National Revenue. When will the government be in a position to issue a statement on foreign investment?

Some hon. Members: Author!

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I intend to make a statement on this matter this coming Tuesday.

FOREIGN INVESTMENT—INTRODUCTION OF LEGISLATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, in making this statement will the minister indicate whether

he has legislation prepared and will he give some idea of when he intends to introduce it?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I understand that later today the government House leader intends to speak to the House leaders of the other parties about arrangements connected with the statement I intend to make.

[*Later:*]

FOREIGN INVESTMENT—REQUEST FOR TABLING OF PREPARATORY DOCUMENTS WHEN STATEMENT ON POLICY IS MADE

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Minister of National Revenue a question in relation to the question that was conveniently asked by a member of his party. On Tuesday will he merely make a statement, or will he table his report and any other documents that were supposed to be prepared before the policy could be announced?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I invite the hon. member to be in the House so he can see for himself. Next time, perhaps he might ask a question of the type that he regrets was asked by a member on the government side.

Mr. Lewis: I have been asking it for months.

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INQUIRY OF THE MINISTRY

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Acting Prime Minister with reference to a new book which it has been announced will soon appear on the newsstands and is supposed to be laudatory of the present Prime Minister. As this book will soon be on sale at newsstands and as the author is a member of the Prime Minister's staff, can the Acting Prime Minister advise the House whether the time spent on writing this book was paid for by the Canadian taxpayers?

• (1140)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I can assure the hon. gentleman that the answer to that question is in the negative. This is, of course, a private venture just as I understand that laudatory book on the Leader of the Opposition was.

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GRAIN

RAPESEED—ACTION TO OFFSET PROJECTED DECLINE IN ACREAGE

Mr. Stanley Korchinski (Mackenzie): Mr. Speaker, my question is for the Minister of Justice in his capacity as the minister responsible for the Wheat Board. In light of the expressed intention of farmers to grow 37 per cent less rapeseed this year than last, is this action in line with the wishes of the minister? Has he indicated the acreage of rapeseed he wishes farmers to plant? Will there be a survey to see whether his wishes are carried out? If not, will there be an incentive to have what he wishes brought about?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the expression of our view this year included information that about the same amount of rapeseed as last year seemed to us to be reasonable, according to the information we had available about market prospects. I have since expressed the hope that severe reduction in acreage would not take place because I believe that market development requires a continuity of supply to keep pressure on in the marketplace. I have made this clear to producers.

Mr. Korchinski: Does the minister intend to provide some incentive, if surveys indicate that this level will not be met?

Mr. Lang: Mr. Speaker, the basic incentive is provided by the price available for rapeseed. That price seems to be relatively attractive when compared with the price of other grains. There is some hesitancy no doubt at this time concerning the move to lower erucic acid rapeseed. We will be trying to reassure growers that they ought not to hesitate for that reason.

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TRADE

UNITED STATES DISC PROGRAM—REPRESENTATIONS TO MINISTER BY CANADIAN AUTO WORKERS INTERNATIONAL REPRESENTATIVE CONCERNING EFFECTS

Mr. E. F. Whelan (Essex): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce on a former subject. Has the international representative of the Canadian auto workers, Dennis McDerment, ever made representations to the minister concerning the effect that the DISC program might have on Canadian auto workers if put into effect by the American companies which are in competition with Canadian companies, inasmuch as the Canadian auto workers' brothers who belong to the same international union are employed by the American companies and I understand are in favour of the DISC program?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, in a previous meeting with Mr. McDerment the concentration was really on the two formal safeguards. I do not recall whether he mentioned the DISC program also in those conversations. I will check and see what record was kept.

UNITED STATES DISC PROGRAM—SUGGESTED INCREASE IN SAFEGUARDS UNDER CANADA-U.S. AUTO PACT

Mr. Max Saltsman (Waterloo): Mr. Speaker, may I direct a supplementary question to the Minister of Industry, Trade and Commerce. In view of the obvious disappointment of the minister at what seems to be a very clear betrayal of his confidence by the automobile companies, will he indicate whether he is now prepared to shift away

from the sort of quiet diplomacy he has engaged in with the automobile companies and increase the safeguards under the Canada-U.S. auto agreement?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Time will tell, Mr. Speaker.

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MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED EXTENSION TO END OF JUNE

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the length and severity of the winter, has the government decided to extend the time for eligibility for forgiveness under the local initiatives program from May 31 to the end of June?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this subject is under active consideration and I expect that the responsible minister will be making a statement soon.

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TRADE

UNITED STATES DISC PROGRAM—SUGGESTED REQUIREMENT THAT EXPORTS TO CANADA BE IDENTIFIED

Mr. John Burton (Regina East): Mr. Speaker, my question is supplementary to that asked by the hon. member for Essex-Windsor of the Minister of Industry, Trade and Commerce. In view of the expressed view that there is no United States government requirement to use the DISC name in any export transactions, is the government considering the possibility of developing or formulating a disclosure requirement with respect to United States DISC exports to Canada?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am sorry but the question is too complex for me to deal with this morning. I will inquire into it further.

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TRANSPORT

POSSIBLE USE OF AIRBORNE TANKERS TO MOVE OIL FROM WELLHEADS TO DEEPWATER PORTS

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, may I direct a question to the Minister of Transport. Is the government giving serious consideration to the use of airborne oil tankers for the movement of oil from wellheads to deepwater ports?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, in view of the generality of the question I can say that the answer is yes, but perhaps the hon. member may have some specific idea or concept in mind.

[Mr. Saltsman.]

POST OFFICE

REQUEST FOR STATEMENT ON PROGRESS OF CONTRACT NEGOTIATIONS WITH UNIONS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I direct a question to the President of the Treasury Board. Is he in a position to make a progress report to the House on the contract talks taking place with the postal unions inasmuch as the contract expired more than one month ago?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I can only say that the talks are continuing. There was a slight deferral caused by some disagreement within one of the unions in the council of postal unions. Hopefully, this is being repaired.

Mr. Mazankowski: Can the President of the Treasury Board advise the House whether an offer involving wage and job security has been presented by the Treasury Board?

Mr. Drury: Mr. Speaker, for the reasons I indicated relating to the current, temporary interruption, no such proposal has been made.

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TRADE

UNITED STATES DISC PROGRAM—PROVISION OF INFORMATION BY PRESIDENT NIXON OR SECRETARY ROGERS ON IMPLEMENTATION DURING VISIT TO OTTAWA

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct to the Acting Prime Minister a question related to the questions asked of the Minister of Industry, Trade and Commerce. Since it is obvious that at the very time conversations were going on between the Prime Minister and the President of the United States and between the Acting Prime Minister in his capacity as Secretary of State for External Affairs and Secretary of State Rogers the President and the Secretary of State must have known about the developments under DISC, was this matter brought forward by either of these gentlemen in their discussions with the Prime Minister or the Secretary of State for External Affairs? Did any discussion take place? If they did not raise the subject, did the Secretary of State for External Affairs or the Prime Minister raise it, or have they both been deceived and betrayed by them as well?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the discussions between the President and the Prime Minister about trade consisted of a decision to review our respective positions with a view to resuming negotiations. This was the position I also took with Secretary of State Rogers. There was no detailed discussion of particular questions because both the Prime Minister and the President were anxious not to complicate the decisions by getting into a discussion of details. These were to be handled, and I think will be handled most competently, by my colleague, the Minister of Industry, Trade and Commerce.

Mr. Benjamin: Mr. Speaker—

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

Mr. Speaker: Order, please. The Chair will first recognize the hon. member for Regina-Lake Centre on a supplementary, then the hon. member for Yorkton-Melville and, before calling orders of the day, the hon. member for Humber-St. George's-St. Barbe.

Mr. Benjamin: May I ask the minister whether the President informed the Prime Minister or Secretary of State Rogers informed him in any way at all of developments under DISC or of United States efforts to solve their trade problems?

Mr. Sharp: No, Mr. Speaker.

UNITED STATES DISC PROGRAM—ACTION TO PREVENT UNDERCUTTING OF CANADIAN BY AMERICAN GOODS IN OTHER COUNTRIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is for the Minister of Industry, Trade and Commerce. Can he tell us what action he is taking or is contemplating to prevent the undercutting of Canadian goods by American goods in third countries with which both the United States and Canada trade? What action is he contemplating along this line?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am sorry, but the question will either have to be repeated or clarified because I could not understand it.

Mr. Nystrom: Is the minister contemplating action or taking action to prevent the undercutting of Canadian goods by American goods in countries with which both Canada and the United States trade?

Mr. Pepin: I presume the hon. member means the effect of the DISC program on third country exports. I can only repeat what I said earlier this morning, that we have identified DISC as damaging to Canadian exports bilaterally and in third countries and that we shall announce in due course what we intend to do about it.

Mr. Speaker: Orders of the day.

• (1150)

GOVERNMENT ORDERS

CRIMINAL LAW AMENDMENT ACT, 1972

AMENDMENTS TO CRIMINAL CODE, CRIMINAL RECORDS ACT, NATIONAL DEFENCE ACT, PAROLE ACT AND VISITING FORCES ACT

The House resumed, from Thursday, April 27, consideration of the motion of Mr. Lang that Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, when the House adjourned last night, I was saying a few words about a couple of clauses in the new amendments to the Criminal Code. I said that a lot of women across this country were disappointed at the slow progress the government has been making in implementing the recommendations of the Royal Commission on the Status of Women.

However, I think it is necessary that when steps in this direction are taken they should be noticed. The amendments before us do contain two or three amendments which will be appreciated by women as implementations of the recommendations of the Royal Commission on the Status of Women.

Before returning to this subject, I wish to express personal satisfaction that the clause providing for corporal punishment is being deleted. I realize it has become fashionable around the country to indicate that because there is a great deal of violence around in real life, on television and in the other media, the only thing which will defeat violence is violence. The minister must have been under some pressure not to propose this particular amendment repealing the clause on corporal punishment. I am glad he is doing so, and I trust he will have the courage later in the year to resist the pressure not to abolish capital punishment. I am sure from everything we have seen that continuing capital punishment would in no way do away with murder in this country or anywhere else. I see some people shaking their heads in disbelief. I am waiting to see the facts and figures produced.

I repeat, I am glad to see that the recommendation of the Royal Commission on the Status of Women with regard to vagrancy has been followed. There was discrimination against women under this section. The Commission did not recommend that there should be penalties in the Code for soliciting, but I am glad to see this offence put on a basis which does not discriminate as between women and men.

The other thing I want to mention is the satisfaction a lot of women and a great many men will feel in relation to the amendment dealing with women and jury service. This is an acceptance of recommendation No. 141 of the report by the royal commission. This recommendation is to the effect that it be made mandatory for women to be called to serve on juries on the same terms as men. I wish to take this occasion to pay tribute to the long and persistent campaign waged by Senator Muriel Fergusson in the Senate to get this matter regulated and remove discrimination. In her later efforts in the Senate she was assisted by Senator Thérèse Casgrain who added this campaign to her many other campaigns to raise the status of women to that of full persons in every field. It was interesting to me to find out that on February 3, 1971, Senator Casgrain drew attention, during a debate in the Senate, to the fact that in Quebec and Newfoundland women were not called for jury duty. They still are not called, as I understand it, and will not be until the legislation before us comes into effect. She was pushing for the implementation of the recommendation of the royal commission.

Then, Senator Fergusson came along later and supported Senator Casgrain. She had, of course, been pushing for this herself for many years. She referred to the experience in New Brunswick which resulted in the passing of a law making women eligible to sit on juries but not under the same terms and conditions as men. She pointed out that only in British Columbia, Nova Scotia and the Territories do women serve on juries under the same conditions as men. It is an interesting sidelight on Canadian psychology that in 1951 a bill was introduced into the Nova Scotia legislature which would have limited jury service to males. It is noteworthy that women had never been prohibited from serving on juries, but they had never been called. In 1951, someone got the bright idea that it would be a good thing to prevent women from ever serving as jurors. However, such a fuss was raised that the bill had to be withdrawn. Women now are called and serve on juries in Nova Scotia on the same basis as men.

Various comments have been made by judges at various times in connection with the campaign carried on by Senator Fergusson. One judge was of the opinion that women should not be permitted to serve on juries in the Northwest Territories because of alleged emotional instability and other factors. But the Senator's efforts were encouraged by other judges who had seen women serving on juries and who said that women were in every way as competent to serve on juries as were men. Senator Fergusson pointed out that in 1957, Canada ratified the United Nations Convention of the Political Rights of Women. In ratifying this convention, we, in Canada, undertook to bring Canadian legislation into conformity with the United Nations convention on the political rights of women and jury duty is one of those rights, yet we have allowed all that time to go by between 1957 and 1972, without bringing Canada into line with the United Nations convention which we ratified in 1957.

• (1200)

Then, of course, we have the Canadian Bill of Rights, which was passed in 1960 and provides that there should not be discrimination on the ground of sex, among various other things, in regard to a number of human rights and fundamental freedoms, including, and I quote, "the right of the individual to equality before the law and the protection of the law". Denying women the right to serve on juries on the same terms as men is denying them equality before the law.

It is interesting to note that apparently one of the reasons the federal government hesitated to pass this legislation giving women the same right to serve on juries as men was that some people expressed the opinion to the government that this was strictly a provincial right. I think the federal government is now satisfied that it need not be so timid and that the federal government itself has a perfect right to take action in this matter. Consequently, I congratulate the Minister of Justice for going ahead and at long last taking the step, which has been long overdue, of making it mandatory that jury service be open to women and that women will now be called to serve on the same basis as men.

I welcome these amendments to the Criminal Code, though I would have liked to see other matters included as well. For example, there is no reason in the world why the

government could not have dealt with the subject of abortion, one of the other rights women should have. However, the government has dealt with vagrancy, with abolition of corporal punishment, the right of women to serve on juries, and a number of other matters having to do with sentencing.

There is one other area in which I should like to see our practice go further. I should like to see the provision of halfway houses for women coming from penal institutions widened. I think they are a good thing. I am not at all sure whether the Solicitor General (Mr. Goyer) was discriminating when he announced a program to put inmates of penitentiaries in private homes. He mentioned only the homes of old age pensioners, but I personally do not think this would be wise. I think the program should be extended to any group of people willing to take those who are given leave from penal institutions to stay in their private home.

As I say, I do not know whether the minister was discriminating and restricting the program only to men. If so, I think women should be included as well. There should be some outlet for those confined in our institutions of punishment of various kinds in order to give them the opportunity of leading a normal life, but on a protected basis for the first little while. Halfway houses would be one way of doing this, but a more intimate and better way would be to find a family willing to receive these people as equals. I repeat, I should like to see this practice extended. I do not think it would be necessary to pass legislation in this regard, though the minister would know whether or not that is the case. In any event, I think this program should be widened.

We in our party are glad to be able to congratulate the minister and to support these amendments to the Criminal Code, which we think are steps in the right direction.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I do not wish to take much of the time of the House, because I know the minister and his colleagues would like to get this bill through second reading and into the committee for study. There is just one aspect of the minister's proposals that I should like to comment on, and I refer to the proposed removal of corporal punishment.

There has been a great difference of opinion about this matter both in this House and elsewhere for many years. I recall sitting on a committee of this House in 1954 which was considering the subjects of capital punishment, corporal punishment, gambling and lotteries. It used to be known, though perhaps somewhat inappropriately, as the "claptrap and strap committee". However, apart from the rather jocular name that was applied to it, the committee did do a lot of serious work. The members of the House who have not read the reports of that committee on those particular subjects would find them well worth reading.

Although I have never considered myself a sadist, I do have grave doubts about removing corporal punishment from the Criminal Code at the present time. Indeed, I think the minister has some doubts, too, since in presenting the bill to the House last night he said, as I recall it, that he felt corporal punishment should be removed from the Criminal Code but perhaps it should not be removed in some other areas or under some other circumstances,

which is some indication that there is doubt. Certainly, I am one of those who has some doubt about such removal. Corporal punishment is very seldom used today, being reserved for particularly aggravating or special cases, such as cases of rape, cases where torture is inflicted on innocent victims, and that sort of thing. It is used only in the rarest of circumstances, and I think its use should be retained as a threat to those who will commit that sort of crime.

As hon. members will recall, a few years ago the question of capital punishment came before this House and, of course, it will be coming before the House again next fall for review if the House is sitting at that time. At the time it was suspended, we were told that capital punishment made no difference to the commission of the crime of murder, that it was not a deterrent. As the hon. member who has just preceded me mentioned, all of the statistics in this regard have not yet been collated, so there does seem to be some doubt about them. However, one thing that is quite clear is that there has been a considerable increase in the number of crimes of murder, particularly of the gangland variety, since capital punishment was removed in all but special cases. In fact, I think we can safely say that capital punishment has been removed in all cases, except in theory; the cabinet has seen to that. The same argument is put forward in the case of corporal punishment. It is said corporal punishment does not deter crime, that it is mediaeval. Perhaps it is, but not all customs and habits of mediaeval days were bad. Human nature does not change.

Some of the people who strongly advocate the complete removal of corporal punishment from the Criminal Code are among the finest people in the country. For example, I think of the minister, some of my friends to my left, members of my own party and others throughout the country. However, everyone tends to interpret these problems in terms of their own feelings. I am sure that the minister would be the last person ever to merit the use of corporal punishment. Certainly, he and many other members of the House, particularly the previous speaker, our lady member from Vancouver-Kingsway (Mrs. MacInnis), would never dream of committing and could probably never imagine anybody else committing, some of the offences you hear about.

It is assumed that everybody in Canada is a reasonable person. Someone put it very well when he said that man may be the only animal with the ability to use logic, but man is by no means a logical animal. We are much more often governed by our own emotions and wishes. I am sure there are many social workers, clergymen and others—I will not refer to them as "do-gooders" because that implies some sort of motivation—who are fine people in themselves, who cannot conceive that there are others who are not motivated in the same way as they. They cannot accept the fact that there are people who are sub-normal, or who have a very low degree of intelligence. These are the people who cannot understand logic, common sense or sweet reason. There are also people who have, in psychological terms, psychopathic personalities. They have no sense of responsibility or morality in the broad sense of the words, and reason has no effect on them.

• (1210)

Some years ago before I came to this House I acted as Crown Attorney for two years. I used to hold the same view as the minister and perhaps the hon. lady, but I now know that at any particular time in any society there are gangs of animals which come before the Magistrate's Court charged with committing some violent offence, either singly or in groups. There is no use putting them on probation, telling them to report to a Sunday school teacher or probation officer once a week. They leave the court roaring with laughter and making rude jokes about the whole thing. I know it is difficult for some people in this House who never have had any dealings with these animals to understand this, but it is true whether one likes it or not. It is as simple as that. Certainly, corporal punishment should not be used indiscriminately in respect of any offence, but it should be used in the most extreme cases such as gang rapes and that sort of thing. That sort of thing does take place, even though we like to pretend it does not. I think it should be retained for use in these very severe cases, particularly in view of the increase in violent crime in this country, which has been unwittingly encouraged by those who would like to see it eliminated, as we all would.

I suggest to the minister there is another reason for the retention of corporal punishment, and this may sound rather strange, even contradictory, in view of what I have just said. It is still my view that as long as reform institutions remain what they are today, probably the worst thing you can do is send a fairly young, first offender to one of these institutions. As we all know, they just learn worse habits or new methods of using the bad habits they already have. In certain instances, and of course this is up to the official trying the case, the very moderate use of corporal punishment might well be a better substitute. When you send boys of 16 or 17 to one of these institutions for the first time, some come out with what these gangs refer to as a service chevron. This is almost the reverse of a good conduct medal. Such an individual chalks up another chevron when returned to his element of society for each term spent in custody. If such an individual received some type of corporal punishment, and I agree that the method used could be improved, he would not come back bragging about it.

Corporal punishment should be retained in a somewhat severe form in respect of aggravated cases, the type to which I have referred, and perhaps in a much milder form for the young first offender in respect of whom no real purpose is served by sending him to an institution.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, this is the sort of legislation which is really better discussed in committee because of its detail. There are 76 clauses in the bill and it is almost impossible to distil any single principle. There are a number of principles involved, but I do want to make a few remarks to indicate our support for most, if not all, the provisions of the bill, and to indicate our desire to see it enacted into law as soon as possible.

Let me point out something to the House and to the minister. Perhaps he knows this and does not need it pointed out, but I will point it out anyway. Although these

changes are important and, generally speaking, are in the right direction, they do not meet the need for fundamental reform of the criminal law of this country. There is much more to be done and these changes are concerned only with incidental matters. We must make our criminal law modern, up to date, compassionate and remedial. We have so far not succeeded in using the criminal law for the purpose which justifies it, including changing the attitude and conditions of those who tend to criminal acts.

The members of the law Reform Commission, which was created by parliament, have now been appointed, with Mr. Justice Hartt as chairman. I believe it is admirably qualified to suggest fundamental changes to his House and I certainly hope it will do so. I am thinking of the field of law that applies to insanity in criminal cases. In this regard we still observe the M'Naghten rules enunciated, if I recall rightly in 1848, although the wording in the code is not identical to the rules, when there was no real understanding of mental conditions and so on such as we have today. This is a field in respect of which I hope the Law Reform Commission will make suggestions.

Perhaps I should not deal with detail, but one cannot discuss principles without reference to some particular provisions. May I comment on Clause 4 of the bill which deals with appeals in respect of convictions for contempt of court. It always seemed to me an extraordinary thing that a single judge could sentence someone to a rather serious punishment for contempt of court, and yet only the question of punishment could be considered on appeal. We live in an era in which some people believe in confrontation. We live in an era when courts sometimes use intemperate and harsh language, and we have seen recent examples fo this. I support this part for use in dealing with persons who have made some angry remark in the heat of the moment, perhaps provoked by the language or attitude of the court itself, because that ought to be reviewable by a higher court. I am very pleased to see that clause 4 provides that where a court, judge, justice or magistrate summarily convicts a person for contempt of court, whether committed in the face of the court or otherwise, an appeal exists from that conviction for contempt of court.

I also welcome the provisions of clause 6, and the following clauses which deal with the question of hijacking. I am not going to make any elaboration on this particular matter, as it is a technical one, but this particular provision follows the international rule. I should like to take advantage of the opportunity by saying it is an example of the development of the international community, and that our criminal law must sometimes take note of the fact that we are living in a so-called global village. Laws which are made in this country and other countries for the security of people against hijacking and acts of violence of that sort, have to take on some international aspects. This particular provision has our support for that reason.

Another clause I think deserves commendation, and this has been referred to by the hon. member for Broadview (Mr. Gilbert) and I think also the hon. member for Vancouver-Kingsway (Mrs. MacInnis), relates to the repeal of those provisions dealing with vagrancy and prostitution. The removal of these particular provisions from the Criminal Code is long overdue. Prostitution has been a part of life for a very long time. The criminal law has totally failed to deal with it in any sort of way. As the hon. member for Vancouver-Kingsway said, our law has been applied in a way that is grossly discriminatory on the basis of sex with regard to this particular offence. We welcome the removal of that from the Criminal Code.

• (1220)

I was almost tempted to enter into a private conversation with the hon. member for Edmonton West (Mr. Lambert), but I will not do that. His comments are interesting. Perhaps he will make them later.

Another provision I was delighted to see is the one related to a conviction for a driving offence Now, the suspension of driving privileges does not have to be an absolute suspension, but can be a suspension limited to certain times and places. I have often had people come to me whose livelihoods depended on their being able to drive and who have been subject to a mandatory suspension of their licences. The penalty there has been tremendously enhanced, not only as far as the individual is concerned, but often his family. In effect, their whole livelihood has been taken away in addition to the penalty normally and directly imposed for the commission of the offence. This will be a great relief to many families. It deserves to be commended.

I do not feel equally satisfied with the amendment proposed in clause 22. This increases the penalty for assault on a peace officer or police officer from two to five years. This is going in the wrong direction. We all know that in this age of confrontation, there is a need to protect our peace officers and others from interference and obstruction in the course of duty. There is a serious problem involved in connection with this field, but it is a delusion and a mistake to think that the problem can or should be dealt with by increasing the severity of sentence. That goes against the direction in which we should be looking. People in association with police officers who are conscious of the difficulties in their own job think the severe penalty acts as a deterrent. They are wrong and this parliament should not accept that approach because it just does not work.

I rejoice, as do others in this House, at the clause in the bill which repeals sections of the act which deal with the added penalty of whipping in addition to other punishment. I quite agree with the minister and others in this House that this has a brutalizing influence. Expert criminologists say it has no effect on deterrence and, indeed, a sentence of whipping tends to aggravate the criminal tendencies of anyone so sentenced and creates a resentment that is later borne out by the commission of other offences.

Another clause that should be very carefully considered by the committee is clause 62 which deals with a stay of proceedings. As I understand it, this enables counsel instructed by the Attorney General to direct a stay of proceedings in summary cases. I believe this device has been abused, particularly in the courts of British Columbia, with regard to indictable offences. It enables a charge to be partially, but not totally, withdrawn and left over the head of an accused with the right to recommence the proceedings at some future date. If the Crown or

prosecuting authorities do not have adequate evidence to proceed against someone, the charge should be withdrawn, not suspended and left hanging over the head of the individual. The extension of this provision of the right to direct a stay of proceedings from the field of indictable offences into the field of summary offences merely extends the possibility of abuse. This particular provision, and the use of pressure tactics on the part of prosecuting authorities, is not suitable.

It is not necessary to go into a lengthy discussion at this stage. No doubt all of these clauses will be subject to careful review by the Standing Committee on Justice and Legal Affairs. I want to summarize by saying we welcome these changes. Most, if not all, go in the right direction. We look forward to a more fundamental review of our criminal law so it will become more modern, compassionate and effective in the future.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I take up the theme referred to by the hon. member for Greenwood (Mr. Brewin) that this is sort of a mini omnibus bill, since it touches on many aspects of the criminal law. Maybe there is a good case for the development of an evolution of the law. I do not share entirely his optimistic note that there has to be a greater degree of compassion. I place a greater emphasis somewhere else. I want to take violent exception to those people who seem to believe that a reassertion of the fundamental principle which in some circles, is referred to in a derogatory manner as law and order, is necessarily bad. The first principle that must be observed is that the citizen has the right not to be offended by his neighbour. If that is a maintenance of law and order, I am in favour of law and order in those terms. Some individuals, for social, economic or other reasons, choose to set aside the law and justify either the taking of property or the assault on other persons. In this day of confrontation, there are many people who will say such actions are fully justified.

What a spectacle we have in the streets, even in front of this building and in many other places, where individuals must run the risk of assaults and other actions from people who frankly say they are the only judges of their conduct, regardless of what it may be. I thoroughly reject this idea. I go back to the fundamental principle that each individual has the right not to be offended by his neighbour and that it is in the public interest that citizens shall live peacefully and at rest from the anxiety and worry of assault on them, on their property and on their other rights. Unfortunately, human nature does not always permit this, whether because of acquisitive instincts or other instincts I cannot say. The reasons for crime are legion. But the ordinary citizen is always the recipient, the one who takes the shock and has to suffer. How often do we hear that the criminal is an unfortunate person. We pat him on the head and tell him to be a good boy in the future. But what about the family that he has abused in some way? What about the poor person from whom he has stolen and who finds himself or herself deprived of property?

• (1230)

I will put this to the minister and to other hon. members, and it is unfortunate that some of them are not here. In my city of Edmonton in the past year the reported cases of rape have tripled or quadrupled, and the police say that only one third of the cases are reported.

Mr. Béchard: Would the whip cure that?

Mr. Lambert (Edmonton West): I can assure the hon. member that in violent cases it certainly would. Does the hon. member think that rape by three or four men of some young or older woman does not call for that type of punishment? Some people say that this is wrong, that it brutalizes. I say, what does it do to the victim?

Mr. Gilbert: It is degrading.

Mr. Lambert (Edmonton West): I would like to see the hon. member who has said that go to some of our mental hospitals and see what happens to the victim of one of these gang rapes. He says it is degrading to that person.

Mr. Gilbert: Do you think you will make it better by what you are suggesting?

Mr. Lambert (Edmonton West): There is much greater fear—at least that is my judgment—of performing in this way if at the end of the road there could be corporal punishment. But they say that we should have concern for the individual, for the four or five men who brutalize and ruin a young woman who is much weaker. This is one of the most despicable crimes that we can have in the world; yet we turn around and pat the criminals on the head. We want to exercise compassion for these people. I say that we should exercise compassion for the victim. Let us have some concern for the ordinary citizen. I say that it is the citizen who should be protected.

I can hear comments at the back. As soon as you start talking about this insistence upon the safety of the individual, about law and order, you are ridiculed as though you wished to run some sort of a fascist state. It is not so. The other way is a form of mob rule. It is the principle that the mob can impose its will upon the individual or upon the government. I thoroughly disagree with that.

Certainly, there are changes necessary, changes that I would have liked to have seen in the matter of curbing other crime. Our major metropolitan centres have become more and more the locale for crimes of violence. There is increased use of guns in Toronto today. We hear of people standing on the street, a car pulling up, and immediately there is fire from an automatic weapon. It is a gangland crime. The city of Montreal is replete with such crimes. The easiest thing in many of our major cities today is to get hold of a gun or a knife and to use them. I say that the carrying and the use of an offensive weapon for an unlawful purpose should be considered a much more serious crime than it is today. If I go into the streets with a loaded gun in my pocket or in my vehicle, I should face a far more severe punishment than that which is presently on the statute books. We should eliminate as much as possible the use and the carrying of offensive weapons for unlawful purposes. I am sorry that the bill does not provide for this.

The hon. member for Greenwood (Mr. Brewin) spoke about appeals against a sentence for the offence of con-

tempt of court. I do not see why, just because this is an era of confrontation, we should have our courts opened up to all sorts of disruptive practices and we should give licence to individuals to take such action. Remember that the right of appeal can be abused. I think that if we have faith in our judiciary, then a degree of trust must be placed in them with regard to the maintenance of proper proceedings. I know that the question of contempt of court may be a difficult one, but I do not think it is right to say that there must be a right of appeal because today is the age of confrontation. There seems to be an implicit approval of some of the things that are said and done in the courts. I grant you that sometimes a lawyer may pass rather ascerbic comments about the court and do so with some justification, but they are not the ones about whom hon. members complain. What they are complaining about is those certain individuals who decide for themselves on the spur of the moment what shall be the standard of law as it shall apply to them, not to the other man. They say to a court, "Fine; I shall behave as I see fit."

• (1240)

Mr. Brewin: You are certainly knocking down a straw man there.

Mr. Lambert (Edmonton West): I suggest to the hon. member for Greenwood that the door has already been opened, and we see far too much of it. I suppose it is unfortunate that he has not had enough exposure to that type of performance in a court in order to realize what it is.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): Hon. members to my left behind me sit like crows on a fence, cawing away. I hope they will take the opportunity to say something about these particular subjects.

The minister may have given some clarification on the next point I am going to raise but, if so, I missed it. This concerns the continuous abdication of responsibility under the Criminal Code, involving those sections which govern the breathalyzer test. The Crown still has not met its obligation to the public to provide a type of container to hold a sample of breath to be given to the individual concerned so as to provide him with a possible defence. The breathalyzer test has been imposed for two years or more. Cases on this point have gone to the courts, and I am not satisfied that the courts have been right in their decisions. In this instance, the individual has had his rights restricted, not by parliament or by statute, but by the failure of administrative action. Is there any guarantee that the government, the law enforcement agency on which there is an obligation by statute to provide something for the possible defence of the individual, will now act? It has failed to do so for more than two years. Is this state of affairs to continue for another three or five years? Is there anything going to be done about it and, if not, why not? If nothing is going to be done to provide such a container, then let the government be honest and say parliament should remove that possible defence from the individual. It is the height of hypocrisy to maintain such a provision in the Criminal Code and yet totally disregard it.

[Mr. Lambert (Edmonton West).]

Clause 18 allows a court to suspend a driving licence for certain periods of time. This may include only certain days of the week or certain parts of a day. In principle, I agree that in certain cases this would be all right, but it will place some courts in a rather difficult position. The vehicle and highway traffic acts of many provinces not only authorize but direct ministers of highways and ministers of transport to revoke a driver's licence, and these acts contain ancillary provisions with regard to a driver's insurance.

Under the provisions of this bill, a magistrate will have authority to suspend a driving licence intermittently. He will have authority to agree with the submission of a defendent that it would be more realistic to prohibit him for driving a vehicle, say, after the hour of five p.m. in the afternoon and before the hour of eight a.m. in the morning. But it must be remembered that the provincial minister of highways or provincial minister of transport is the person who has issued that individual's driving licence, and if the provincial act makes it mandatory upon the minister to suspend his licence for eight months or a year, then we will be faced with a conflict of law. If all the provinces want to get together with the government of Canada and make their highway codes conform with the Criminal Code then all will be fine, but I do not think that is happening at the present time.

I just wish to touch on one last point in connection with the suspension of a driver's licence. This was also referred to by the hon. member for Greenwood. The amended Criminal Code will allow a court to be selective regarding the time of suspension of a driver's licence, out of compassion for the individual concerned, and out of compassion for his family. I would like the court to have some compassion for the poor victim of an accident. While it may be very hard on the individual or on the family of the individual who loses his licence, and while this may place his job in jeopardy, we must also remember the family of the injured or killed victim.

Here, I am thinking of one particular case, that of the younger son in a family, a man with a very brilliant future, who was killed as the result of a very blatant case of impaired driving. There is no doubt that the driver and his family may be subject to some difficulties as a result of the suspension of his licence for, say, a couple of years. But that will not in any way alleviate the heartbreak of the parents of the young man who was killed, nor will it alleviate the heartbreak of the young man's fiancée, who was also injured in the accident. Nor does it compensate society in any way for the loss of the skills of that young man and of his future contribution to society. These are all things that must be taken into account.

This bill is going to committee, Mr. Speaker. I hope that in committee it will receive a lot of study. I hope to have an opportunity to participate in that study, and after the committee has made its recommendations I will reconsider my views with regard to certain clauses of it.

• (1250)

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I sometimes feel that these debates tend to be reserved for people with law degrees. However, although lawyers are intimately associated with law, citizens are equally

associated with it since because of it we have all the problems of court cases and associated public concern. I agree with the previous speaker that in order to live in a civilized society there has to be some concern with the law, but it must be a just law strongly supported by the population or it will be challenged and ultimately ignored.

I think since ancient times society has been concerned with the dichotomy of what is good for the individual versus what is good for society. I think there is always the simplistic approach that if the law is repressive enough it will provide a strong enough deterrent to remove crime or at least make it less common. There are those who argue that if we would only bring back the lash there would be fewer crimes of violence but I do not think there is any statistical proof of this. Some people can argue quite effectively for the return of the noose as well, and the same kind of outlook suggests that if strikes were banned there would be no labour disputes.

With great respect to my hon. friend, I think his point of view tends to be simplistic. I know that he is well read, but I wonder if he has perused the great work written by the Attorney General of the United States, Ramsey Clarke, called "Crime in America". In this book he was concerned with the contempt in which a large group of young people held the courts in that country. They were considered to be repressive institutions, used to stifle legitimate dissent. When this occurs there can only be contempt for court. Although we have come close, I think, in this country we yet have to see an incident similar to the Bobby Seal case in the United States. However, if the feeling grows that the law is unjust to certain groups in our society we may see it here, although I am assured that we have court techniques to deal with this kind of thing. The good of the individual versus the good of society has been of concern to man for centuries. I think the side you take in this particular argument, whether you are going to be permissive or repressive, depends on whether you feel that all people are fundamentally bad and if you smack them that is going to make them good or if you feel that people tend to be good and want to do the right thing.

In the time remaining, Mr. Speaker, I wish to speak about a number of items that I would like to see in the Criminal Code which are not there. The minister, since he is a responsible minister in a government led by a Prime Minister (Mr. Trudeau) who, during the recent constitutional conference with the provinces has proposed that the right of counsel be entrenched in the constitution, will be interested. It seems rather anomalous that while the right to counsel has been proposed by the Prime Minister as part and parcel of Canada's constitution as a just and enlightened measure, there is no mention of it in the proposed Criminal Code amendments. I would, therefore, be interested to know on what basis the minister, who is shepherding this bill through the House, decided to ignore this feature. I hope he will be able to enlighten us.

Many constituents seek to employ their member of parliament or MPP in the role of lawyer, not because they are cheapskates but because they cannot afford counsel and thus may be denied justice in the civil or criminal courts. There are many people languishing in our prisons because they have been denied their civil rights, because they could not afford counsel. I would be interested to know from the Minister of Justice (Mr. Lang) why this provision has been omitted. Is consideration being given to making the right to counsel explicit in the Criminal Code, as has been proposed by the Prime Minister for our constitution?

Perhaps I could call it one o'clock, Mr. Speaker.

Mr. Deputy Speaker: Order, please. It being one o'clock I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

MOTION TO ADJOURN UNDER S.O. 26

POWER

EFFECTS OF JAMES BAY HYDROELECTRIC PROJECT

Mr. Speaker: Order, please. Leave having been granted to the hon. member for Parry Sound-Muskoka (Mr. Aiken) to move the adjournment of the House pursuant to Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the federal involvement in the James Bay hydroelectric development project of the province of Quebec, particularly (a) interference with and relocation of Indians; (b) altering the course of navigable waters protected under the Navigable Waters Protection Act, and (c) effects upon the total Canadian environment.

The hon. member for Parry Sound-Muskoka (Mr. Aiken), seconded by the hon. member for Peace River (Mr. Baldwin), moves:

That this House do now adjourn.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I consider it a matter of extreme urgency that the federal government develop and state publicly a policy concerning the James Bay hydroelectric development project. If decisions have been made, it is equally urgent that they be declared immediately. The urgency has become even more apparent this week in view of indications that the provincial government is moving towards completion of its project plans, and in view of the shameful situation in which a group of Canadians, the James Bay committee, has felt it necessary to approach an American consumer advocate to support their protests.

The government of Quebec is proceeding with its plans and has undertaken the construction of roads, bridges and other preparatory works to the point of no return. The Prime Minister of Quebec has declared the project decision to be irreversible. By delaying its decision on the federal responsibility, the federal government is being fair neither to the province of Quebec nor to the Canadian people. The federal government is gradually being backed into a corner. It will either have to abdicate its responsibilities under the constitution because the job has gone

too far to stop or cause a major upheaval in provincial plans in the future.

We have seen in the past several months a major failure in policy development on the part of this government. It has been apparent for over a year that decisions of major proportion would have to be made. If the government, by chance, had overlooked this fact, it has been reminded of it day by day and week by week as a result of questions asked in this House. Every single question, Mr. Speaker, has been passed off, has been answered in vague terms, indicating that neither any of the ministers of the government nor the Prime Minister (Mr. Trudeau) himself knew what to say.

• (1410)

The project itself is of major proportion. The size of territory to be developed is 200,000 square miles containing 10 energy rivers and 6,000 Indian people who hunt and fish. The energy potential of this area is of the order of 85 billion to 97 billion KWH per year; this amount of energy is approximately three times the output of Churchill Falls. Total cost estimates range from $5 to $7 billion of which 60 to 70 per cent is expected to come from outside Quebec. Diversion of rivers will leave the lower 90 miles and 81 miles of the Nottaway and Broadback rivers dry. At least 50 miles of the Opinaca, 20 miles of the Eastmain and 230 miles of the Great Whale river will be dry or have a greatly reduced flow.

There are three major areas of direct federal responsibility in the proposals to develop the James Bay project: (a) interference with and relocation of Indians who are residents of the area; (b) altering the course of navigable waters protected under the Navigable Waters Protection Act; (c) effect upon the total Canadian environment. There are also other areas of federal concern. Export of the power produced is one of them. And of even more concern is the effect of the required financing on the Canadian dollar. On none of these matters has the federal government expressed an opinion.

I turn now to the environmental problems. A federal-provincial task force has looked at the situation and has issued a preliminary report. This report is far from reassuring. The report indicates, according to evidence given in the Committee on Resources, Public Works that "no catastrophic effects" would be apparent resulting from the carrying out of the project. Mr. Speaker, what is catastrophic? Perhaps the task force had in mind certain predictions that the weight of the accumulated water on one-quarter of the surface of the Province of Quebec would cause breaks in the earth's crust and result in earthquakes and possible alteration in the rotation of the earth. This would be catastrophic, and the task force has decided this will not happen. But almost anything short of that can.

Some of the other environmental dangers have been outlined as climatic repercussions—a longer winter—alteration of water flows and currents in James Bay; possible destruction of shoreline vegetation and drowning of forested areas. I understand that areas to be flooded will not be first stripped of trees. There are dangers to waterfowl and wildlife. Yet, there is still no indication of the manner in which the extent of these dangers is to be evaluated. The task force was admittedly a preliminary manoeuvre, but it did not study these factors in depth.

The Minister of the Environment (Mr. Davis), in common with other ministers who have been questioned in the House, has given us no idea how he proposes to deal with these problems, of how he intends to deal with any threats to the environment. Hydro Quebec has apparently made some fairly complete studies of the project but no information has been made available; indeed, as far as we know, results have not been conveyed, even to the Department of the Environment. I stand to be corrected if such is not the case. In any event, the studies by Hydro Quebec have not surfaced for reviewing by the general public.

It is not necessary to view the James Bay hydro development in a negative way. It is a tremendous undertaking and undoubtedly it possesses great possibilities in the area of development, the exploitation of mineral and forest products, the on-site construction of mills, the realization of gigantic power potential and, temporarily at least, major employment prospects. Sadly, the federal government has not even responded to these positive factors with any enthusiasm. It has failed to respond at all. If this project is to succeed it must go ahead on the basis of sufficient study of the dangers involved and the chances which are being taken. Herein lies the shortcoming of the federal position. The federal government has failed to carry out needed research and has given no indication whether such research in depth will, in fact, be undertaken. Perhaps it intends to accept and act upon the work done by Hydro Quebec. We have not been told there is to be an examination of the James Bay project department by department, or as a concentrated effort shared by all the departments concerned.

The problems of the native population are so serious as to be difficult for them to comprehend. They are caught between a provincial government which states it is determined to proceed with the plan and the federal government which is supposed to be protecting their interests but does not appear to be doing so. They are in danger of being uprooted from their homes, and, what is even worse, of finding their style of life completely altered because of environmental changes. One of my hon. friends will be dealing with this aspect, and I shall not expand on it further.

Under our constitution, the federal parliament and government have been assigned responsibility for the protection of navigable waters. Federal legislation requires that any work which would interfere with or alter navigable waters must first receive approval under the provisions of the Navigable Waters Protection Act. No indication has been given us that such an application is being made or that the federal government is prepared to receive one. Nor is there any indication from the Minister of Transport (Mr. Jamieson) that his department is undertaking studies upon the basis of which an informed decision may be reached when the time comes.

Surely, it is not sufficient in an undertaking of this magnitude for the Department of Transport to sit back and say: When the Province of Quebec comes along and asks us for permission we shall give the matter some thought. These studies cannot be carried out in a few weeks or months. It may be, of course, that studies are, in

fact, already under way in the Department of Transport but in spite of the many questions directed to him day after day, the minister has never told us whether any preparation is being made on the basis of which the ministry can recommend a course of action under the terms of the Navigable Waters Protection Act. My colleague for Peace River (Mr. Baldwin) is fully aware of the dangers of bypassing normal requirements in this type of application, and I am sure that he will have something to say on that score.

• (1420)

We are falling down somewhere, Mr. Speaker, when a group of Canadians finds it necessary to turn to an American consumer advocate for protection. If the fault has been in this House, then I hope we can do something about it today. The opposition has questioned the government constantly on the subject and they must be getting tired of these questions. But perhaps that is not good enough. If the government is at fault, and I suggest it is, then it is time it rectified the fault.

This House is a place where complaints about Canadian matters shouls be aired and settled by the government and the people's elected representatives. As I have already stated, I find it rather disgraceful that our citizens have to run to Americans to ask for protection. There has been no effort whatsoever to inform the public what is going on in the federal government with regard to this matter, if anything is going on. All the ministerial statements made in this House have been mumbled platitudes in order to get past the question period without saying anything, and I must say the government has been extremely successful. There have been no statements on motions, the traditional way of keeping the people of Canada and the House informed.

That is the reason I moved this motion yesterday, in the hope that the urgency of the situation would be evident. Urgency of debate is the basis for a Standing Order 26 motion. I am most gratified that the Chair accepted the motion so that this matter can be debated. I think the time has come for a clear and unequivocal statement on this project from the government, and I hope that as a result of this debate today we will receive it.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, it is a pleasure to have an opportunity of speaking to the motion that is currently before the House regarding the James Bay development project. I must congratulate the hon. member who just spoke for bringing the motion before the House yesterday and the Speaker for his decision to allow this rather important debate. I feel it gives the members of this House an opportunity to discuss some aspects of this proposed development.

The federal government has some jurisdiction in the area to be developed, but to date we have received very little information from the departments concerned despite numerous questions and inquiries put by various members of the House. It is a bitter disappointment, to say the least, to realize that another major project is underway without adequate studies having been made to determine what its over-all effect will be on the natives in the area, the environment generally and, of course, the Canadian economy. No serious attempt has been made to find out whether the detrimental effects of the project, when added to its cost, will outweigh the advantages to be derived. This information is required before the project gets underway, and it is a tragedy that once again resource development on an immense scale is taking place without the over-all planning that is necessary in this day and age. It appears that the environmental blunders of the past will be repeated, and the federal government must take its full share of criticism for it has given poor leadership in this regard. Apparently the tragic effects of the Bennett dam on the Athabasca and Mackenzie deltas have been forgotten, and it is felt to be politically expedient practically to ignore the present project.

Our group is not opposed to hydro development; this must come in many areas of Canada. However, we suggest that these developments should be based on a thorough study of their full impact on the residents in the area, the environment and the economy. This study has not been done as far as the James Bay project is concerned, and we are requesting more action and information from the federal departments involved.

Perhaps I should place a few general facts on the record regarding this project to show how quickly it has come up and to indicate the lack of interest on the part of federal authorities. In April 1971, the Quebec government announced its plan to develop the hydroelectric potential of the James Bay area. In July 1971, the National Assembly of Quebec enacted legislation to establish the James Bay Development Corporation with the objective of promoting the development and exploitation of natural resources in that area. It is an immense project. Its final generating capability could be as high as 12 million kilowatts. It will cost about $7 billion. The premier of Quebec claims that it will create 125,000 jobs. The decision to proceed with the project in such a rush is obviously a political one.

I have no doubt that the project is feasible on an engineering basis. It can be built. But whether the project should proceed is another matter. Engineers can estimate the cost of the project, the output of the turbines, the delivering of power to the market, etc. They never seriously consider the cost of environmental damage, the dislocation of people, the possible effect on our nation's economy, or the fact it might be another energy sell-out to the United States. For this is not the task of the engineers; they are primarily hired to plan for hydro development, and in this respect they do extremely well.

The previous speaker covered a number of topics and I should like to expand on several of them but will deal primarily with the environmental aspects of the project. May I again point out that this House has not been given full and proper information on the James Bay project by the departments involved. This is not good enough when we realize that there will be a major social impact on about 7,000 of our native people who live there. Questions have been asked of the Minister of Indian Affairs and Northern Development (Mr. Chrétien) about what his department is doing. The answer has been that negotiations are going on between the natives and the Quebec government. This answer is not good enough. Is he actively assisting the natives who have requested his help, or is he ignoring the claims of the natives, as he has done in the

northern part of our country? Other speakers will deal extensively with the rights of the natives, but may I point out to the House that the minister is obligated by law to protect the rights of the natives in this area.

• (1430)

I have a copy of the Quebec Boundaries Extension Act of 1912 which I understand is still in effect. It extended the boundaries of the province of Quebec to the north. This addition to the province included the Eastmain River and the area north of the Eastmain River. Part of this addition is within the project area. May I quote from this act which is entitled the Quebec Boundaries Extension Act, 1912. I quote the first part of the second section as follows:

> The limits of the province of Quebec are hereby increased so that the boundaries thereof shall include, in addition to the present territory of the said province, the territory bounded and described as follows:— Commencing at the point at the mouth of Eastmain River where it empties into James Bay, the said point being the western termination of the northern boundary of the province of Quebec as established by chapter 3 of the statutes of 1898, intituled *An Act respecting the north-western, northern and north-eastern boundaries of the province of Quebec*; thence northerly and easterly along the shores of Hudson Bay and Hudson Strait—

There is more to the section but it does not apply to the point I am making. This indicates that part of the James Bay project comes under this treaty.

Another part of the section indicates that as a condition of the extension of the boundaries, the government of Quebec is required to do certain things. Let me go a little further and read section 2(c) and (d). Section 2(c) provides:

> That the province of Quebec will recognize the rights of the Indian inhabitants in the territory above described to the same extent, and will obtain surrenders of such rights in the same manner, as the Government of Canada has heretofore recognized such rights and has obtained surrender thereof, and the said province shall bear and satisfy all charges and expenditure in connection with or arising out of such surrenders—

Section 2(d) provides:

> That no such surrender shall be made or obtained except with the approval of the Governor in Council—

Where does this leave the federal department of Indian affairs as far as this addition to the province of Quebec, which took place in 1912, is concerned? I suggest it means that before any of these lands can be taken away from the natives by the government, the province must obtain from the natives who live in the area the surrender of their rights.

I ask the Minister of Indian Affairs and Northern Development (Mr. Chrétien) this question and perhaps he will answer it when he speaks later in the debate: Has an agreement been made between the natives and the province of Quebec that the natives shall surrender their rights? If it has not, I suggest in all humility—I am not a lawyer—that it is illegal for a province to say it will move into an area and take away certain rights from the people who live there. If there has been a breach of the law in this regard, I ask the minister and those responsible in the federal government what they are doing about it. Are they protecting the rights of the 7,000 native Indians who live in the James Bay area?

I have here a number of newspaper and other articles written about the project. These people have come to the Minister of Indian Affairs and Northern Development for help but they have received nothing.

Mr. Chrétien: That is not true.

Mr. Harding: They are asking the minister to fight their case if necessary before the courts of this land in order to protect the rights of our native peoples who have been guaranteed rights under an act passed by the Parliament of Canada.

Mr. Chrétien: When have they done that?

Mr. Harding: I understand the minister has been approached.

Mr. Chrétien: Mr. Speaker, may I have permission to ask the hon. member a question? The hon. member has made a very direct allegation and I should like to know the date when the Indians asked the Minister of Indian Affairs to take part in this fight. He said it was made officially and I would like him to be precise.

Mr. Nielsen: July of 1971—and I will get to that later.

Mr. Harding: I do not have the specific letter before me—

Mr. Chrétien: If you don't have it, don't talk about it.

Mr. Harding: —but time and time again questions have been asked of the minister in the House and he has not answered. We have had numerous reports, including a lengthy report from the James Bay Committee, which indicate that the department has been approached, but these people have received no affirmative reply from the minister.

Mr. Chrétien: That is not true.

Mr. Harding: Whether or not they have approached the minister, the fact is that this is the law of Canada.

Mr. Chrétien: Skate away.

Mr. Harding: This is the law of Canada.

The Acting Speaker (Mr. Boulanger): Order, please. I remind hon. members that this is likely to be a long debate. We began the debate in a very cool and calm manner. I suggest we allow the hon. member who has the floor to speak and be heard by the Chair.

Mr. Harding: Thank you, Mr. Speaker. It was not my intention to irritate the minister, but we expect answers to these questions and we expect them today. We hope that beneficial results will flow from this debate. We have had a series of environmental problems throughout the country over the past few years, some of which have been rather tragic as far as environmental effects are concerned. We have had for some time a number of federal measures on the statute books. Some of them were referred to by the previous speaker. We have the Canada Water Act and the Fisheries Act; and, of course, the

Department of Indian Affairs has responsibility under a number of acts.

In the past few years we have experienced across Canada some rather serious problems simply because the federal government has not initiated the proper development surveys, nor have the provincial governments, before certain projects have been commenced. I mentioned earlier the Bennett dam on the Peace River. Let me draw to the attention of the House that only a few years ago this dam was completed and the flood waters of the Peace River were stored behind it. Apparently Canadians at that time were not very interested in the effects of the dam on the downstream area. Now, a few years later, we find in the Athabasca and Mackenzie River deltas that very severe and adverse environmental effects have taken place.

Just the other day in the committee I was questioning one of the officials of the department about the effects of the dam on the Athabasca delta. He indicated in his answers that initially, there were 750,000 pair of nesting ducks which produced about 2 million ducks. The effect of the dam has been to cut this down to about 200,000 pair of nesting ducks and the over-all production of wild duck to just over one-half million. These are not all lost but it means that in many instances they have probably gone looking for other nesting places. This is a very serious matter. It affects the whole wildlife and ecology of that vast northern area.

• (1440)

Even the Minister of the Environment (Mr. Davis) in a speech which he made several weeks ago outlined very ably the damage that has been done through man's neglect to take into consideration the over-all effects of damming these rivers. We are asking the very same thing about the James Bay area. What has been done?

We had a federal-provincial task force. They started in the middle of last year and produced a report on either February 2 or 3 of this year. However, the report is not based on any basic research for the simple reason they did not have time to do the research.

The report has generally indicated there will be no major dislocation as far as this project is concerned. In effect, they have given a green light to the James Bay Development Corporation to proceed. I repeat, this is based on no actual or effective research having been done on the effects which the damming of these rivers will have on not only the inhabitants of the area or the wildlife, but on the effect it will have on James Bay itself.

There have been warnings by one or two scientists who have indicated this could change the whole climate of that area. What effect will it have on the fish? For years our party has been urging that before major projects of this nature take place, full and proper ecological surveys should be made. This should be done before a project is announced, not after. Here it is 1972 and we find that this has not been done.

There is another question I wish to ask the ministers in charge. When the dams are built, about 4,000 acres will be flooded. I come from the area of the Columbia River project and I know what flooding can do. When the Duncan Dam was built, about 15 per cent of the area was cleared. It is a national disgrace to see the vast areas of the north end of Duncan Lake where there is a mass of floating debris, trees, stumps and sticks. Is the same thing going to happen in the province of Quebec? Is there provision in this agreement whereby these areas will be cleared so they will be recreational assets to the province in the future? As far as I know there is no provision for clearing.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am happy to say a few words on the topic before the House. The James Bay development project is of major importance. Many Canadians live in that area, and have the right to live there, and according to some if that area is developed the very existence of those citizens will be jeopardized.

We must therefore seek justice; the government must protect citizens whose rights are threatened. If citizens live in that area and fulfil themselves there, it is our duty to study closely what their fate will be, especially if their right to life is being threatened. It may be that the whole situation will have to be studied before we find out whether or not those citizens' rights will be violated.

Mr. Speaker, there are collective rights which it behooves society to protect.

In our era of progress and abundance, we see the structures and institutions of peoples being totally transformed. This is accompanied by cultural, economic and social evolution. Those changes exert great influence on the political, intellectual and moral life of the community, particularly with regard to the rights and duties of the individual in the enjoyment of civil freedom and the pursuit of the common good, as well as the organization of relations between the citizens and the public authorities. The citizens of the James Bay area certainly need public powers to help them claim their rights.

Owing to the greater awareness of human conscience and dignity, efforts are being made, in various areas of the world, towards establishing a political-judicial order in which, in public life, the rights of the individual will be better protected. For instance, the guarantee of the right of free enterprise, the right to express personal opinions or profess a religion is a requisite for citizens, individually or in groups, to be able to take part in public life and the administration of public affairs in keeping with cultural, economic and social progress. Many people manifest the will to participate to a greater degree in the organization of the political and economic community, and many of these are becoming increasingly anxious to protect the rights of minorities within a nation.

Those involved are, I believe, some 4,000 citizens living in the James Bay area and they are certainly entitled to receive justice from the government, without thereby failing to carry out their obligations to the political community. Moreover, there is increasing respect for those who hold different opinions or practice a different religion. At the same time, there is more co-operation, whereby all citizens—and not only the privileged few—may truly enjoy human rights. It is evident that the citizens who live on

this immense territory are its true owners and that we have a duty to preserve all their rights and privileges.

• (1450)

We cannot recognize that political influences which operate in some areas hinder civil and religious liberties. There are more and more victims of passions and political crimes, where the exercise of authority is diverted from the public interest for the benefit of a few cliques or for the benefit of governments themselves.

Even though a government must gain control over this territory and develop it for peaceful ends, a great number of citizens live there who have a right to our respect, because this is their own territory. When these citizens are oppressed under any consideration, justice must be done. Citizens must find moral and often legal support so that the protection of their rights can be ensured.

Individuals, families, various groups, all those who make up the civil community are aware of their inability to achieve on their own a fully human life. Often the whole community must join efforts in the pursuit of public interests. This is why they form a political community, according to various institutional patterns, but always for the common good, in which they find their full justification and their very rights.

This common good comprises the whole of social conditions and allows individual, families and groups to develop more easily and to enjoy freedom.

But the men who live within the community are many and different. They can rightfully hold various opinions. But it is the political community which, despite that fact, protects them against confusion. So there must exist an authority capable of channeling all efforts towards the people's well-being, yet acting above all as moral forces anchored in freedom and in a sense of responsibility.

Evidently, the political community and public authority rest on human nature and depend on an order set up by the Creator, although the establishment of political systems and the appointment of their leaders should be left to the citizens' discretion.

It is beyond question that the people of this large territory have fundamental rights and it would be unjust on the part of the government to fail to intervene—if only for social, moral and logical reasons—in order to study the situation as a whole so that justice may be done to those citizens.

It may well be said that this is an area belonging to Quebecers, to Canadians—and in fact there are Quebecers and other Canadians there—but what matters is to ascertain first whether the liberty and the right to life of those people will be affected by this hydroelectric project. Those 4,000 people who live there are worth much more than the ten or fifteen billion we will invest there into this project.

Human forces go far beyond those of money. There is the might of 4,000 citizens, who earn their living in this large and beautiful area that they love. Mr. Speaker, to remove them from there would have many effects: the situation may become complex, and before it becomes too complex, we are studying today the Bay James development project because, even though a government is involved, such projects cost money. We must not discuss that matter here, other than casually. Perhaps they will not even profit to the community.

It might be more profitable to let these 4,000 Canadians live in that area since they have chosen to grow up there and to die there. If we develop that area, they will be deported, just like the Acadians were. It is not natural or normal to deport citizens and take their land away from them.

We are studying today a motion about which, I understand, many hon. members are concerned. We take an interest in this motion because it implies the protection of human lives. It involves human beings, not animals; there is no price for the people living in the James Bay area or all the other people on the earth. There is no price for any human being, however humble he may be. There is nothing greater than a human being.

Mr. Speaker, once more I ask the Minister of Energy, Mines and Resources (Mr. Macdonald), to consider seriously this situation with the government. In my opinion, he will be supported by all the hon. members, and we shall thus be able to give justice to the honourable and good citizens of that area.

Mr Prud'homme: Mr. Speaker, may I put a question to the hon. member?

The Acting Speaker (Mr. Boulanger): The Parliamentary Secretary to the Secretary of State.

Mr. Prud'homme: Mr. Speaker, may I ask my hon. friend—and I mean my "hon. friend"—a question?

Mr. Latulippe: Yes, Mr. Speaker.

Mr. Prud'homme: Mr. Speaker, may I ask the hon. member if, in spite of the reservations he has made that the native people must of course—and I hope they are—be protected, he is prepared to state whether he is in favour or not of the development of the James Bay area?

Mr. Latulippe: Mr. Speaker, I cannot say that I am against it. I have asked the departments concerned to study the situation and to deal with it fairly. I do not have enough information to decide whether I should be for or against the project. It is not for me to decide. Although my remarks are a little vague, I know that it is essential that the inhabitants of this area be treated with fairness. This has been the gist of my remarks. As to my being for or against this project, I am not the one to decide because I do not now have sufficient information on the subject.

Mr. Corbin: You are on the fence.

• (1500)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker.

An hon. Member: In French.

Mr. Macdonald (Rosedale): In French? Very well.

Mr. Speaker, I should like, as the first speaker on this side, to indicate that other cabinet colleagues will take part in this debate. By way of introduction, I say that this very important issue means a great deal to us.

[*English*]

What I would like to do, Mr. Speaker, is make a general introduction to the question, to respond as far as my own ministerial responsibilities may be affected in this regard, and then to orchestrate the response which will be made by my other colleagues on this side of the House.

Mr. Baldwin: Let's get some harmony out of it.

Mr. Macdonald (Rosedale): My colleague, the Minister of Indian Affairs and Northern Development (Mr. Chrétien), will come in with the French horn. The Minister of Environment (Mr. Davis) will bring in a western music theme, and no doubt the tubas will be heard from the other side of the House.

Mr. Crouse: The big bassoon is being heard now.

Mr. Macdonald (Rosedale): And as one of my hon. friends says, the opposition will fiddle as usual.

It is difficult to improve on the concise statements made by the Prime Minister (Mr. Trudeau) on February 24 in response to a question put by the hon. member for Joliette (Mr. La Salle), to be found in *Hansard* of that day as follows:

> Of course the establishment of hydroelectric services on a river within a province falls under the jurisdiction of that province. Still, such undertakings may have consequences in areas under the responsibility of the federal government, for instance on the Indian population, the financing method, the export of energy—if that is the intention—the establishment of means of transportation, if the provincial government waits for the federal government to build them. Now for all those reasons we are interested in certain aspects of the project and it is those aspects that the government of the province of Quebec will have to discuss with the federal government if it wants to have our co-operation.
>
> At present, the federal government has made no commitments.

The hon. member for Parry Sound-Muskoka (Mr. Aiken) basically accepted that proposition, and I noted his words that the development of power wholly within a province is entirely the prerogative of that particular province. I think it is recognized that it is the constitutional prerogative of individual provinces to select priorities for resource development within provincial boundaries, so long as such development does not interfere with the over-all development of Canada and does not have an adverse effect on neighbouring provinces.

The first question, which I take it is not in debate, is as to the wisdom or otherwise of proceeding with this particular project. Perhaps the answer is to be found best in a quick review of some of the statistics with regard to the estimated demand for energy, and in particular for electricity, between now and the end of the century. The demand for electricity is expected to grow at something like 6.5 per cent per year over the next 30 years, which is a five fold increase over the demand in 1970. One staggering conclusion is that in order to produce the electricity required in the year 2000, one half of all the primary energy used in Canada will be for electric generation. This therefore means that the province of Quebec has decided, as has been the case with provincial governments across the country, that it will have to meet the load demand in the province by bringing on to stream additional sources of electric power. And of course the preference is, and this has been the practice for some time, to attempt as far as possible to do as the province of Ontario has now done, to develop the hydroelectric head first and then proceed to thermal generation.

One of the points mentioned by the hon. member for Parry Sound-Muskoka was a reference to the possibilities of export of power. The National Energy Board of course is the body within the government of Canada which has the responsibility of dealing with the removal of power, whether across provincial boundaries or from a province to a foreign country. I am advised that while the National Energy Board is maintaining a watching brief on the proposed James Bay project, it has had no direct involvement to date. In other words, there has been no direct request to the Board for any approval, formal or informal, for any export of power from the province of Quebec. Indeed, so far as I know, and I do not pretend to have read all of the releases on the subject, there has been no indication by the Quebec authorities that they will seek to remove any part of the proposed power either to the province of Ontario, the state of New York, or any other adjacent user.

What is clear is that there will be a heavy demand for power in the province of Quebec in the coming several years. For that reason it is not unlikely that the product produced by this proposed development will be used entirely within that province. In any event the National Energy Board does not express hypothetical views on projects as they are started by provinces, nor does it consider the question of export until it is the subject matter of a formal application, which in this case would presumably be three to five to seven years away from the present date.

In the event that a licence and certificate are sought in connection with the James Bay project, applications would be assessed in accordance with the provisions of the National Energy Board Act. This would involve, among other things, a determination of the surplus nature of the power marked for export, and a finding as to whether the proposed border price was just and reasonable in relation to the public interest. Therefore, as I have mentioned, the question at this point is not so much as to whether the power project should proceed, and the hon. member has not raised that point. He has put his case on three other points.

His first point is in connection with responsibilities with regard to the native peoples in the area. I can confirm that my colleague, the Minister of Indian Affairs and Northern Development, will be speaking both with regard to that subject and with regard to the hon. member's second point, namely, the responsibilities of the government of Canada under the Navigable Waters Protection Act. My colleague the Minister of the Environment, is also with us this afternoon and he, in turn, will be speaking on the environment studies which have already been carried on by Environment Canada and the provincial authorities, and he will set out the viewpoint of the federal government in this particular regard.

So, in summation, Mr. Speaker, the three points which the hon. member has raised will be dealt with by my colleagues. I also affirm a point that I think he recognizes, that it is not for the federal government to say at this juncture whether we should or should not continue this project, just as we would not interfere with the province of Ontario carrying out a similar activity.

Mr. Aiken: May I ask the minister a question?

Mr. Macdonald (Rosedale): Yes, by all means.

Mr. Aiken: I would like to ask the minister if he is proposing the view that since the National Energy Board has to make the ultimate decision on the export of power and so forth, it is not within the jurisdiction or the requirements of his department to do some work, to give evidence before the Board if necessary, or give some indication of what the general view of the government is on the export of the power, or the development of power within the country? Is he therefore taking the view that his department has no responsibilities whatsoever in regard to this project except through the National Energy Board?

Mr. Macdonald (Rosedale): I was taking the viewpoint, and it is strictly the jurisdictional point, that it is not for the government of Canada to say yes or no to a particular project within a province. If the hon. member has another viewpoint, then I would be interested to hear it. There is, of course, the over-all concern and responsibility of the government of Canada, and in particular of the ministry of Energy, Mines and Resources, to keep close track of the energy resources of this country, particularly the power resources. The vast majority of these, of course, are under the immediate control of the provinces. It will be a matter of equal concern, as substantial developments come forward, to try and time these by arrangement and consultation between the federal government and the various provinces. I think the hon. member would agree with me that it is not for the Minister of Energy, Mines and Resources to say yea or nay to a specific project within any particular province.

• (1510)

An hon. Member: He can give his opinion, though.

Mr. Penner: Mr. Speaker—

The Acting Speaker (Mr. Boulanger): The hon. member has a question?

Mr. Penner: Yes, Mr. Speaker, I have a question for the minister. He spoke about the growing demand for electric power in this country. Does the minister not agree that there is now a need in Canada for a program to conserve, even restrict or perhaps ration, the use of electric power? Is the federal government, either by itself or with the provinces, considering such a program of restriction?

Mr. Macdonald (Rosedale): I would not necessarily concede that at the moment there is a need for conservation or, as the hon. member said, restriction of the use of energy, particularly electrical energy, but I recognize the fact that over a period of time there is going to be a heavy demand on Canadian energy resources. To put it the other way, wasteful practices with regard to energy, as for example avoiding the construction of facilities which involve energy or heat loss where this is possible is definitely the kind of thing to be pursued and is being pursued by the federal government.

Again I go back to the point that I do not think it is for myself, as minister, to sit over top of Mr. George Gathercole in Ontario Hydro, and tell him how he is going to conduct hydro business in the province of Ontario.

The Acting Speaker (Mr. Boulanger): Does the hon. member rise for the purpose of asking a question?

Mr. Crouse: Yes, Mr. Speaker. I listened with interest to the speech by the maestro as he fiddled away over there. In my opinion, he neatly dumped the question of assuming responsibility for establishing power development vis-à-vis the federal government and the provinces. The statement brought to mind the situation which presently exists in Nova Scotia, where consultations have been held for some considerable period of time about the development of electrical energy through the use of the Fundy tides. I wonder if the minister would indicate whether in his opinion this is a matter that must be entirely resolved by the provincial government or will responsibility for this development be shared equally between the province of Nova Scotia and the federal government?

Mr. Macdonald (Rosedale): No, Mr. Speaker. As the hon. member will recall, under our constitution ownership of the seabed below the low water mark lies with the government of Canada. Undoubtedly, while the provinces that would use the resources would be Nova Scotia and New Brunswick, any participation in a tidal power project would involve the use of federal property, in this case the seabed, so naturally the federal government is directly involved. We have no direct proprietary right in the case of the Ontario Hydro properties or James Bay.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, first of all I want to say something nice about the Prime Minister (Mr. Trudeau). I saw him as he was leaving yesterday, and he asked me if I would miss him. I said that I would but I would try to say something nice about him and that is what I am going to do now. I am going to thank him for his recitation from Desiderata the other day—I don't know what he told the caucus but he did not make them too happy. I looked up my old copy of Desiderata, and in paying tribute to the Prime Minister I would also use this as a prelude to what I am going to say and what my approach is going to be to this debate.

Speak your truth quietly and clearly and listen to others, even the dull and ignorant; they too have their story. Avoid loud and aggressive persons, they are vexatious to the spirit.

I guess we will have to put up with that. I want to say to the Minister of Energy, Mines and Resources (Mr. Macdonald) that I accept his approach that the constitutional responsibility lies with a province for the steps to be taken to initiate the development of electric power. On the other hand, by our constitution, by practice and also by the statutes this parliament has passed pursuant to its right to do so, there are embodied in our laws certain restrictions on that provincial right. I am not referring to the direct

right to initiate a project but a right to attach conditions to the development of the project. I think there is no easier way to look at that than to look at what happened not long ago when the National Energy Board, a child of the federal government, acting within the jurisdiction legally given to it by this parliament, said to the producers of natural gas in the province of Alberta "You may indeed produce gas, but the limitation we place upon you is that it cannot be exported". In a mixed jurisdiction, that is the way this sort of thing operates.

In making his statement, the minister indulged in a little sophistry. I think he has been standing too close to the Minister of Industry, Trade and Commerce (Mr. Pepin), who is a master of sophistry, and a little intellectual osmosis has developed. It is true that the right to initiate any project for the development of power lies exclusively within a province but subject to the right of the federal government, or institutions developed under federal jurisdiction, to place certain obstacles or conditions which must be met before a plan can proceed and before the energy which has been developed can be exported. I do not think the minister will deny that to be the fact. Any federal government which refuses to accept that proposition and refuses to act upon it if it is considered essential, is denying its responsibility under the constitution of this country.

The hon. minister referred to the importance of this subject. It is, of course, an important subject and that is borne out by the fact that two other ministers, as well as other members on the government side, are going to speak in this debate. Then, if this is so, why did we have to wait until the hon. member for Parry Sound-Muskoka (Mr. Aiken) was able to persuade the Chair that this matter was important enough that the business of the house should be interrupted for a debate? Why did the Minister of Indian Affairs and Northern Development (Mr. Chrétien), the minister who has just spoken, the Minister of the Environment (Mr. Davis) or the Minister of Transport (Mr. Jamieson), each of whom has some responsibility, not speak for the government or make a statement on motions? I ask them to tell the House precisely what their position is and what the government intends to do on this issue. I think they have a duty to this House in the exercise of their collective responsibility to make known to the country from time to time where they stand on important issues, and not wait until the opposition, in pursuance of its duty, drags these statements out of them.

One has sympathy and understanding, Mr. Speaker, for the desire of the Province of Quebec or any province to develop its industries, to develop its resources and to try to provide an increase in its standard of living through any of these means. It is proper for governments to do this, and I for one would never want to do anything which would interfere with the right of the Province of Quebec, the Province of Ontario and the Province of Alberta to so proceed. I think that must be the basic point of our discussion.

• (1520)

Today we realize more and more that our resources are not inexhaustible. We know that steps taken by governments and corporations, private or public, in the development of these resources can lead to consequences which may not have been foreseen originally but which may have serious detrimental effects upon future generations of Canadians. If we do not draw these consequences to the attention of the government—I am speaking not only of the federal government but of provincial governments—and make known the knowledge that we have obtained, we shall be abdicating our responsibilities with respect to development projects of this kind.

My hon. friend from Parry Sound-Muskoka (Mr. Aiken) has objectively and reasonably put forward grounds to show that this question must be examined by parliament. I intend to deal with one aspect of the matter, that is, the responsibility of the federal government under the Navigable Waters Protection Act. I shall speak about what this government should do and what it has failed to do. While so doing I will yield to temptation and show, by illustrating what happened on another occasion, precisely how governments and the people can get into serious trouble when they neglect to abide by the provisions laid down in a particular and important piece of legislation.

I will not take up the time of the House by reciting the legislation. It is well known; it has been discussed in the House and has been the subject of questions. We know today, from answers given by the Minister of Transport (Mr. Jamieson) with respect to two bridges which were constructed or are being constructed by the corporation of the province of Quebec charged with responsibility for the project, that an application has been made under the Navigable Waters Protection Act. There is another bridge with respect to which approval may not have been given. One must also consider the extent to which these bridges and other works will interfere with the free flow of the river.

I will quote a highly qualified witness to confirm the correctness of my statement regarding the necessity for complying with the Navigable Waters Protection Act in these matters. Speaking about the Moran hydroelectric development in British Columbia, the Minister of the Environment (Mr. Davis), on page 9 of a news release dated March 1, 1971, said as follows:

> And what do I mean by that? Well, the Fraser River is a major salmon river. It is also navigable. It therefore comes under two federal acts, the federal Fisheries Act and the federal Navigable Waters Protection Act. Before a dam could be built at Moran, B.C. Hydro would have to get a permit from the Federal Department of Transport under the Navigable Waters Protection Act. And before it could begin construction it would also have to satisfy the federal Minister of Fisheries that there will be adequate provision for fish passages and so on.

The minister then quoted sections of the Fisheries Act. I agree with what he said: it is right, it is sensible and it is the law. The law must be complied with in every province of this country. It was not complied with a number of years ago in the case of the Peace River. May I recapitulate the facts.

In the early part of the 1950s a Swedish industrialist, Axel Wenner-Gren, applied to the British Columbia government for a permit with regard to the feasibility study and ultimate construction of a dam across the Peace River near Hudson Hope. He hoped that this would lead to exploration and development of natural resources in a large part of the trench of the Rocky Mountains. Ultimate-

ly, Mr. Bennett, Premier of British Columbia, decided that there must be development of two rivers in that province, the Columbia River and the Peace River. This proposal was objected to by the Hon. Davie Fulton who was minister of justice in the government led by the right hon. member for Prince Albert (Mr. Diefenbaker). The proposal was rejected. Then the government changed.

In the new government the then secretary of state for external affairs, now government leader in the Senate, being determined to pull off a coup and produce Mr. Bennett at Washington for the signing of a treaty, permitted, nay, encouraged, the government of British Columbia to proceed with the power construction program involving the two rivers. He encouraged the province of British Columbia to build a dam across the Peace River without requesting the consent which was essential and should have been obtained under the Navigable Waters Protection Act.

At that time I was the only member of the House who was aware of the problem. I challenged the minister of justice of the day and finally, after much questioning, obtained an admission to the effect that the Navigable Waters Protection Act applied, that permission had to be obtained for construction and that application had to be made. At that time the Department of Public Works was responsible in the House for that legislation. For two years I pursued this question with the Liberal government and got nowhere.

Finally, the dam was constructed. Irreparable damage was suffered by the lower parts of the Peace River and particularly the Athabasca-Peace River delta, and no one can be certain as to the consequences to the Mackenzie River basin. The Minister of the Environment admits this. In a press release dated February 17, 1971, we find the following statement:

> Mr. Davis said that preliminary hydrological studies indicate that filling of the Williston reservoir, created by the construction of the Bennett dam in B.C., appears in part responsible for reduced water levels in Lake Athabasca and ecological changes in the Athabasca delta.—
>
> Ecologists say that a continuation of low water levels in the Athabasca delta may permanently change the vegetation and in turn the animal life. They say that it is especially necessary that high-level flood flows cover the delta not later than the spring of 1972, in order to avoid permanent ecological changes.

I thoroughly agree with that statement. I was in that area recently, and we do not know what will happen. I only hope there will not be permanent damage. The government cannot avoid its responsibilities. The waters I am talking about come squarely within the definition of navigable waters under the act. One of the last cases I was involved in before coming to this House concerned a narrow creek not wider than the aisle which separates the front benches of this House. In that case, a fisherman seeking to go from his home to Lesser Slave Lake was compelled to travel through the waters of that stream which crossed the land of a farmer. The farmer built a fence across the stream. Officials of the federal Department of Public Works in Edmonton instituted an action, secured an injunction and ultimately a judgment for damages. The farmer concerned was compelled to take down the fence.

Without doubt, the definition of navigable rivers and navigable waters as interpreted by the Exchequer Court of this country makes it clear that such rivers and waters are covered by this legislation. Nobody in the government has told us what the government's intentions are regarding the navigable waters in question. I hope, and I will give the government credit in this regard, until the contrary appears that these projects will not be allowed to proceed until the corporation of the province of Quebec charged with responsibility files plans and those plans have been examined in detail by competent and responsible engineers, so that the results which will flow from the proposed changes to the rivers will be acceptable.

• (1530)

That is the plea I am making. I could be much more critical, but I think this is the time for plain speaking. This is the time to urge upon the government the view of the vast majority of people in this country, namely, that when governments and powerful corporations become involved in vast public works undertakings, every precaution must be taken to ensure that the kind of irreparable damage we have experienced in the Peace River area is not perpetrated in other parts of Canada.

I urge the government to take this plea to heart. If they do not, I assure them that as long as they sit on the other side of the House they will have to deal with a determined opposition and, I am sure, with a determined people in this land.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I was in no hurry to rise but clearly the hon. member for Yukon (Mr. Nielsen) wants to speak after me, so I am not in the least embarrassed, quite the opposite. I do not evade committees or the House. I can face the situation as it is.

I welcome the opportunity for us to take part in this debate which is extremely important, particularly so for a certain group of Canadian citizens, the Indians of the James Bay area. In fact, it is gratifying for me to be able to clarify the matter and to give a detailed explanation of the situation of the Indians now facing this problem.

First of all, I refer to the point raised by the hon. member who spoke on behalf of the New Democratic Party. He has, concerning the Indians, an attitude which in our times is no longer acceptable, that is that we should replace them completely in all situations.

[*English*]

We decided a few years ago that we should not act as great white fathers to the Indians, that we would respect their wishes. I have been very much involved in this project since it began. On many occasions I have talked with ministers of the province of Quebec on behalf of the Indians, but those who speak officially for the Indians in Quebec are the Indians themselves through the band councils which have now joined together in a provincial association.

A year ago, the Association of Indians in Quebec asked me not to participate directly in this affair. They have held many discussions among themselves. Both Mr. DeLisle and Mr. Gros Louis have informed me of the

progress of their strategy. They have initiated discussions on many aspects of Indian affairs with the Quebec government. They have said all along that they wanted me to wait, to be ready to intervene when the time came. I have respected this wish.

The Indians have, of course, passed resolutions, and so on. I overheard the hon. member for Yukon (Mr. Nielsen) talking about a resolution passed last July. It is true that a petition was signed last July, but I tell the hon. member and the House of Commons that it was only on Monday that the association sent me officially a copy of this petition and asked me to take part in the debate.

Mr. Nielsen: They asked you last July.

Mr. Chrétien: No, Sir. They passed the resolution last July but they decided not to send it to me. They decided they ought to work among themselves before making up their minds what they should do. In the meantime we have looked into the situation carefully. We recognize that it is a serious one. I said in the House when questioned this week that now the Indians have officially requested my help I am happy to offer them my assistance. They have asked me to meet them next week and I have agreed to do so.

Since the beginning of this affair I have discussed the situation three or four times with Mr. Bourassa, Premier of Quebec. I have been in touch with him this week and asked him for a meeting after the Indians meet with me next week. He said any time I want to meet him in connection with this matter he will be happy to discuss it with me. So we have been available. We are willing to help the Indians find a solution.

What will be the best solution for them? This week my assistant deputy minister, Mr. Ciaccia, had a discussion with Chief DeLisle and the representative of the Indians in the James Bay area, Chief Billy Diamond. They had a long talk on technical questions and the course to be taken. This will be followed up in the course of my meeting with the Indians next week. But I wish to repeat that I shall not decide for the Indians. I think the Indians should be left to make a choice, and I will be there to help them. They are well organized at the present time and they want a piece of the action.

Apparently members of the New Democratic Party and others are asking me to take over in a paternalistic way and stop certain things or do certain things for the Indians. I will not do that, because this government does not wish to take over responsibilities which the Indians themselves are willing to discharge.

Some hon. Members: Hear, hear!

Mr. Chrétien: We are not paternalistic toward the Indian people but, as I say, we are willing to help them. There are two courses open. There is a solution which could be negotiated. The Indians would like us to help them. They have tried alone and they have not been completely satisfied. Now they say the Minister of Indian Affairs and Northern Development can help them. Fine. I am ready to help them. I will sit down with them and I will meet the Premier of Quebec to discuss the problems of the 6,000 Indians who could be affected by this development. It is my duty to do so under the terms of section 91(24) of the British North America Act and, as usual, I shall discharge my duty—but not at the expense of the self-respect, pride and wishes of the Indians of this area.

• (1540)

[*Translation*]

The problem, Mr. Speaker, is extremely complicated because it is common knowledge that the lands in question in the James Bay area have not always belonged to the Quebec government and have not always been under its jurisdiction. These lands, formerly known as Rupert's Land, belonged to the Hudson's Bay Company and, in 1867, the Canadian government, in a petition addressed to Her Majesty, asked the Imperial government to hand over Rupert's Land to the government of Canada.

It is in 1870 that Rupert's Land was actually handed over by the Imperial government of Her Majesty to become part of the Canadian confederation. For several years, this land was administered by the federal government and in 1898, the southern part of the Rupert's Land was transferred by the federal government to the province of Quebec.

The northern part was in effect transferred in 1912 under the transfer act of that same year, in which it was stated that the interests of Indians were to be protect ed if the area came to be developed, as has been mentioned by the hon. member for Kootenay West (Mr. Harding) who spoke for the New Democratic party.

We are quite aware of the judicial aspect of the situation in this area, and we firmly intend to protect the interests of Indians.

Does this mean, however, that in order to protect the interests of the Indians, we must act irresponsibly? The Indians recognize the complexity of this situation. They themselves are trying to discover what solution could best serve their interests.

This is why they asked me a few days ago to meet with them in order to clarify this matter, and we will meet with them next Wednesday to try and make some progress. Economic progress does not necessarily exclude the reaching of a reasonable agreement between the parties concerned.

I think the Quebec government should recognize that it is in the interest of all Quebecers to see to it that a development of this kind will not cause irreparable prejudice to Indians, and that the people who must be the first to benefit from this development should be the Indians who have been living in this territory from times immemorial.

I think it is possible to ensure that some agreement is reached which will be satisfactory to all parties concerned. Of course, the judicial situation cannot be shrugged away. It is indeed an extremely complex situation which involves various concepts. However, studies have been made on this subject by independent commissions. We are all familiar with the report of the Dorion Commission, which also recognizes that the Indian problem is important to the economic and social development of this whole area.

The task force on the environment which studied this situation last summer also came to the conclusion that the people most deeply affected would no doubt be the Indians.

Mr. Speaker, we are ready because we have been studying the situation very carefully in the last few months. Every time questions were put in the House, I replied that we were following the debate on behalf of the Indian population without directly participating in it, but if the Indians were to request us officially to intervene to safeguard their interests in this debate, we would be ready to do so.

I must say to the House that in the course of the discussions I have had—though unofficially since the Indians were opposed to my involvement in this question—with the premier of Quebec, he has been very understanding and anxious to find a solution that would be acceptable both to Amerindians of that territory as well as to the government of Quebec.

Mr. Speaker, I would like to state once more that we will help Indians to find a negotiated settlement which will be the best thing to do since legal wranglings would certainly not be the best course of action to solve this problem.

At all events, we are going to consult with the Indians and whatever the ultimate decision they ask us to make, we will support them, in accordance with our responsibility to do so under the British North America Act of 1867.

Once again, I hope that the first citizens of the country will not be used in this debate, as has too often been the case, as an all-purpose political football. I think we should show restraint, objectivity and seek out a solution that would first of all benefit the first citizens of this country. Such is certainly our aim. I can assure my hon. friends that I have no other concern and no intention of reverting to the old paternalistic attitude whereby we, white people, should at this time intervene and systematically replace the Indians of New Quebec and James Bay at the negotiation table, speak on their behalf and jointly with them and the government of Quebec, in order to protect their interests in that territory.

[*English*]

I should like to pay tribute to the Indians of the James Bay area and the Quebec association for their participation in the events leading up to this debate. They have had many meetings with the provincial administration on many different topics. They have acted responsibly. They told my assistant deputy minister this week that what they want is a solution. They do not want to be stubborn; they just want to reconcile their interests, which are vital, with the interests of the Canadian public in general and particularly the citizens of Quebec. I am delighted that we can talk with them and will probably be able to find a solution. I assure them that this government will be there to help them arrive at a negotiated solution. If that does not work and if the Indians decide upon other legal courses of action, we will again be there to help them as it is our responsibility to do.

On behalf of my colleague the Minister of Transport (Mr. Jamieson) I should like for a few minutes to touch upon—

• (1550)

[*Translation*]

Navigable Waters Protection Act.

I realize that up to now the government of the province of Quebec has recognized that the Department of Transport has jurisdiction in that field under federal law. And at present—as stated by the hon. member for Peace River (Mr. Baldwin)—there has been a request for the construction of a bridge on one of the rivers involved. Of course, plans are being worked out for the construction of other bridges on other rivers. The Department of Transport has already sent inspectors in that area so they can get an idea of the work to be done.

Of course, everytime the government of Quebec submits a request to the Department of Transport the minister has assured the House—and I can do it also—that such request will be examined on its merits and according to the letter and the spirit of the law.

This legislation is intended to protect shipping and transportation on those rivers. Naturally, until now they have been very little used by shipping. That is why to this day the Minister of Transport has not had to get very much involved in the building of bridges or wharves on those rivers since they are very little used for navigation and transportation except by Indian canoes.

I think that, in this connection, the Department of Transport has discharged its responsibilities and the Quebec government has admitted the validity of the federal Navigable Waters Protection Act. Besides, this matter has never been disputed by the Quebec authorities and heaven knows how many Quebec rivers such as the Saguenay, the Saint-Maurice, the Ottawa and some others have been the subject of developments and directives from the Department of Transport.

[*English*]

I do not want to take up too much of the time of this House, Mr. Speaker, but I should like to just state the position of this government. It was only on Monday of this week that the Indians asked us to participate directly in the debate. We have already said to them we will have meetings with the Indian associations and representatives of the James Bay area, and those meetings will be in Ottawa next Wednesday, Thursday and Friday. We are planning to hold meetings whenever it is convenient to them, and we have agreed on Wednesday next as the date for a meeting.

Since Monday, when I received this request, and the resolutions passed by the different bands in the past weeks and months, I got in touch once more with the Quebec government and have been assured that they are willing—

[*Translation*]

The Acting Speaker (Mr. Laniel): Order. I regret I must interrupt the hon. minister but his time has expired. He must secure the unanimous consent of the House to continue his remarks.

[*English*]

Is there agreement that the minister be allowed to continue his remarks?

Some hon. Members: Agreed.

Mr. Chrétien: I thank you, Mr. Speaker, and I thank the hon. members for their courtesy.

I plan to meet these representatives next week and, in the days that will follow, I will be in touch with the Premier of Quebec who has already agreed to meet with me at my convenience. We are following the situation very closely, and I can assure hon. members that the interests of the Indians will be protected by this government, and that we will keep our cool. I am sure the best interests of everyone concerned will be served by finding a settlement acceptable to everyone.

I am very grateful that no one in this House so far this afternoon has taken an extreme position, denying any development or anything like that. I think this is the approach we have to follow. There are many interests which have to be considered and I want to say to the Quebec government, the Indians and members of this House, that we will make sure the interests of the 6,000 Indians living in this area will be well protected.

Some hon. Members: Hear, hear!

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, it was very interesting this afternoon to listen to the statements made so far from the government side of the House. The Minister of Energy, Mines and Resources (Mr. Macdonald) took a very narrow view of a situation lying entirely within the jurisdiction of his department. I listened with interest to the Minister of Indian Affairs and Northern Development (Mr. Chrétien) who did make reference to the problems of the Indian people. Quite frankly, while he said a lot about talking to Indians, neither he nor the Minister of Energy, Mines and Resources gave us any kind of assurance that this government is going to cease doing what it has been doing, namely flaunting the laws of this parliament and the constitution of Canada as they relate to the rights of the aboriginal inhabitants of this part of Canada or, indeed, of any other part.

It is small wonder that the Indians of that particular region may have thought it advisable to talk first to the government of Quebec, in light of the announced policy of the government as made clear by the Prime Minister (Mr. Trudeau) of this country, that as far as the federal government is concerned it refuses to recognize the aboriginal rights enshrined in the constitution of this country. I certainly would not want to see the minister go back to what he referred to as "any old paternalistic attitude" in his discussions with the Indians. However, I would have liked to hear him make a positive statement assuring the members of this House and the people involved that the government of Canada was prepared to protect their constitutional rights.

Mr. Chrétien: That is what I said.

Mr. Barnett: The minister made some reference to the act of 1912, and this was mentioned by my colleague the hon. member for Kootenay West (Mr. Harding), in which this parliament validated an agreement between the government of Canada and the government of the province of Quebec. It reads:

> That the province of Quebec will recognize the rights of the Indian inhabitants in the territory above described to the same extent, and will obtain surrenders of such rights in the same manner, as the Government of Canada has heretofore recognized such rights—

Perhaps in 1912 the government was still recognizing the necessity of obtaining surrender rights from the aboriginals, although the present government is not doing so either in the province of Quebec, the Northwest Territories or, for that matter as far as I can determine, anywhere else in this country. That is the nub of the question and that is why the minister, when he speaks in his engaging way, has to hedge and go around and around in circles, saying he must wait for resolutions from the Indian people and then have meetings and discussions with them, after they have discussed things with the Assistant Deputy Minister and officers of the department.

The minister did make some reference to the fact that the territory under discussion in this resolution was not originally part of the province of Quebec. It is interesting to note that, but I should like to suggest to him that he might have gone back to the Royal Proclamation of October 7, 1763, which sets out certain boundaries. It reads:

> The Government of Quebec bounded on the Labrador coast by the river St. John, and from thence by a line drawn from the head of that river through the lake St. John, to the south end of the lake Nipissim; from whence the said line, crossing the river St. Lawrence, and the lake Champlain, in 45. Degrees of north latitude, passes along the high lands which divide the rivers that empty themselves into the said river St. Lawrence from those which fall into the sea;

Later on there was the act of 1791, which separated Lower Canada, and the Union Act of 1840 that put the pieces together again. We then moved on to the point where in 1867 the Dominion of Canada was established under the British North America Act. The point that has to be mentioned, and the minister made reference to it, is that these territories known as Rupert's Land and the Northwest Territory in 1870 were added to and became part of the new nation of Canada under the direct jurisdiction of the federal government. It is interesting to note that in the Order of Her Majesty in Council of 1870, based on the British North America Act, there is reference to a matter which I think is pertinent to the debate today. I should like to just make one or two brief references to it.

• (1600)

I asked the Minister of Justice (Mr. Lang) on a couple of occasions what the government was doing in relation to the terms and conditions under which these lands were transferred to the province of Quebec from their original territorial status so far as Canada is concerned. I also asked what position the government was taking with regard to the proposed James Bay development with particular reference to the rights of the Indian people in that region. The minister said they have been looking into the matter. When I asked the minister directly if he would participate in this debate today, he apparently decided to hide behind the skirts of the Minister of Indian Affairs and Northern Development (Mr. Chrétien). We have not had from the government any clear policy on this matter.

I quote as follows from term 14 of the order of 1870 of Her Majesty with regard to Rupert's Land and the Northwest Territories:

Any claims of Indians to compensation for lands required for purposes of settlement shall be disposed of by the Canadian Government in communication with the Imperial Government; and the Company shall be relieved of all responsibility in respect of them.

In other words, that was the transfer of jurisdiction to the government of Canada. In schedule (A) of an address to Her Majesty there is an explanation of what is involved here. Schedule (A) is an address to Her Majesty the Queen from the Senate and House of Commons of Canada. It is addressed to the Queen's Most Excellent Majesty and reads:

That in the event of your Majesty's Government agreeing to transfer to Canada the jurisdiction and control over the said region, the Government and Parliament of Canada will be ready to provide that the legal rights of any corporation, company, or individual within the same shall be respected, and placed under the protection of courts of competent jurisdiction.

This is the part I wish to emphasize:

And furthermore, that, upon the transference of the territories in question to the Canadian Government, the claims of the Indian tribes to compensation for lands required for purposes of settlement will be considered and settled in conformity with the equitable principles which have uniformly governed the British Crown in its dealings with the aborigines.

That raises the question of what were the equitable principles of the British Crown. These are part of our constitutional documents. In that connection one must go back to the royal proclamation of 1763. The royal proclamation in part reads:

And We do further declare it to be Our Royal Will and Pleasure, for the present as aforesaid, to reserve under our Sovereignty, Protection, and Dominion, for the use of the said Indians, all the Lands and Territories not included within the Limits of Our said Three new Governments—

One of these was the government of Quebec.

—or within the Limits of the Territory granted to the Hudson's Bay Company, as also all the Lands and Territories lying to the Westward of the Sources of the Rivers which fall into the Sea from the West and North West as aforesaid.

And We do hereby strictly forbid, on Pain of our Displeasure, all our loving Subjects from making any Purchases or Settlements whatever, or taking Possession of any of the Lands above reserved, without our especial leave and Licence for that Purpose first obtained.

And, We do further strictly enjoin and require all Persons whatever who have either wilfully or inadvertently seated themselves upon any Lands within the Countries above described, or upon any other Lands which, not having been ceded to or purchased by Us, are still reserved to the said Indians as aforesaid, forthwith to remove themselves from such settlements.

And whereas great Frauds and Abuses have been committed in purchasing Lands of the Indians, to the great Prejudice of our Interests, and to the great Dissatisfaction of the said Indians; In order, therefore, to prevent such irregularities for the future, and to the end that the Indians may be convinced of our Justice and determined Resolution to remove all reasonable Cause of Discontent, We do, with the Advice of our Privy Council strictly enjoin and require, that no private Person do presume to make any purchase from the said Indians, of any Lands reserved to the said Indians, within those parts of our Colonies where, We have thought proper to allow Settlement; but that, if at any Time any of the Said Indians should be inclined to dispose of the said Lands, the same shall be Purchased only for Us, in our Name, at some public Meeting or Assembly of the said Indians, to be held for that Purpose by the Governor or Commander in Chief of our Colony respectively within which they shall lie—

As the minister of Indian affairs has at least indirectly admitted today, under the British North America Act he has upon him the responsibility of acting as an agent of Her Majesty in connection with the treatment that is outlined in that proclamation which has been passed on. I submit it is inherent in the acts of 1898 and 1912 which enlarged the original boundaries of the province of Quebec. This is clearly a prior condition to any entry upon these lands for such purposes as hydroelectric development. The Minister of Energy, Mines and Resources (Mr. Macdonald) suggested, and I freely admit it, that apart from this and some of the other federal areas of jurisdiction referred to here it is a matter for the province of Quebec.

I submit this government is not making clear that it is prepared to abide by the constitution of this country and see that the Indians enjoy the constitutional protections set out in some of the documents to which I have referred. That clarification we have not had so far today from a government spokesman. I submit that before any move is made this question must be clarified. Anything else will constitute trespass.

Unfortunately, because of my observations of federal government action in parts of Canada which still remain directly under their jurisdiction as far as land resources are concerned, I am not very hopeful that the Indians, when they have the forthcoming meetings with the minister to which he referred, will receive very much backing from him in negotiations with the province of Quebec. I am inclined to believe, in light of recent events, that some time since 1912 at least the rest of us in Canada have turned our backs upon the constitution and the statutes enacted by parliament.

What in fact is happening is that the government of Canada, and in many cases the governments of the provinces, are going blithely ahead in their own sweet way as if such documents did not exist. From my point of view, that is the nub of the question that must be debated and settled in this House of Commons prior to any participation by the federal government with the government of Quebec in the question of hydroelectric development in the James Bay region. That is why I am very happy that the hon. member for Parry Sound-Muskoka brought this matter forward, especially in light of the continuing lack of any clearcut statement from the government, because it gives us an opportunity to seek, if we can, to persuade the government to fulfil its constitutional responsibilities.

• (1610)

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, first I would like to thank the hon. member for Parry Sound-Muskoka (Mr. Aiken) for moving this motion. Obviously, judging from the response from all corners of the House, there is not only a lively interest in the subject but also a good deal of thinking has been done about it in recent weeks and months. In his motion, he refers to three main areas of concern: one, interference with the relocation of Indians, and this matter has been dealt with by the Minister of Indian Affairs and Northern Development (Mr. Chrétien); two, altering the course of navigable waters protected under the Navigable Waters Protection Act, and this has been dealt with by several speakers this afternoon; and finally, three, the effect on

the total Canadian environment. It is item number 3 to which I shall be principally directing my remarks.

I think that the essence of the concern in respect of the environment relates to timing, to ecological studies, and to environmental investigations which must be carried out before the final decision to undertake large scale development and construction is made. It is a matter of timing. We should and must do our environmental engineering first before construction begins on a large scale. This principle applies to large projects as well as small ones. It must apply to projects which fall under the responsibility of all three levels of government in this country. Indeed, it must be followed in respect of all kinds of development which has measurable impact on our environment in Canada.

In the United States, and increasingly in Canada, we are insisting on the preparation of what I might call environmental impact statements. In order to prepare proper environmental impact statements, we must first obtain the basic biological data on which they can be built. We need a good deal of background information, in other words, on the living resources in an area, how they will be affected by a particular development, and what the alternatives to that development are so that we can make sure that the best possible construction proceeds and that information is available in advance of construction, as I said earlier. We are in the process of obtaining this kind of information in respect of James Bay. "We" certainly includes the province of Quebec and it includes the federal Department of the Environment.

In order to describe the sequence which we are following in respect of a project which falls much more directly under federal jurisdiction, namely, a possible pipeline or pipelines down the Mackenzie Valley, we are currently spending in the order of $15 million on studies which will require a three year period to make sure that all of the ecological data is assembled beforehand, that environmental maps are available, that all of the necessary data which bears on wildlife, fisheries, and forestry, indeed all flora and fauna, is available before the final choice, the final selection, is made by the National Energy Board. That is the sequence which we are following in respect of that project. A similar sequence is being followed in respect of the James Bay project.

The James Bay project is unique in several respects. One, of course, is its massive scale. Another is that the province of Quebec itself requested help from the federal government in respect of the assessment of the environment. This certainly did not happen in respect of the big Bennett Dam on the Peace River, a project of great scale in western Canada, the construction of which began in the early 1960's. The consequences of that project have been considerable and they have been damaging outside of the province of British Columbia. Clearly, we would have benefited considerably in western Canada had the environmental engineering preceded the decision to go ahead and build that massive project.

As I said, the province of Quebec has asked for the help of the federal government in the assessment of environmental effects. We have been supplying expertise. We have some of the world's top biologists in the employment of Environment Canada. We have several of the world's top authorities on wildlife and on fisheries. Canada is one of the leading nations, has done a great deal of research, and knows a great deal about the nature of its resources. In the area of forestry we have a good deal of expertise as well. We have some of the world's finest meteorologists, climatologists and some very well known oceanographers. These people have been asked to help out in the assessment of the James Bay Project. The assessment is proceeding a step at a time. I might call the assessment, a six months assessment which began in the summer of 1971, phase I.

The second assessment, which will cover a period of 18 months or more, has begun this spring. The first assessment involves quick on-the-site surveys and a thoroughgoing review of the literature. A summary report entitled "A Preliminary Study of the Environmental Impacts of the James Bay Development Project in Quebec" was released in February of this year. It was, as I indicated, the result of a joint effort by experts employed by the province of Quebec and our own experts in Environment Canada. To my surprise, and I think the surprise of many people, it did not pinpoint any substantial environmental effects which might have been characterized, for example, as likely to be catastrophic. It did, however, indicate that there were a number of areas of concern, and it did say quite emphatically that because of the lack of baseline data further investigation would have to be undertaken. Those additional investigations are under way in phase II.

Phase II, which is now under way, involves investigations particularly in the areas which might be described as climatological, which involve expertise in the area of hydrography, and also will call on the knowledge of our people who have been concerned with migratory birds. They are concerned with tides and the drift of ice as well. In order to put some of this information on the record, I should like to refer back briefly to the first task force report, a report which is published and which is already available to the public, but I might also add, which is backed up by some 50 studies, all of which are available. They are available in several universities and through several departments in the province of Quebec. They are also available in a number of departmental libraries here in Ottawa. I understand they are also available in the library of the University of Toronto. There is no secrecy here. However, we are only beginning phase II. I can say definitely that, so far as the government of Canada is concerned, we have every intention of publishing all of the studies which are prepared by our experts at the conclusion of each phase or stage in these environmental investigations.

• (1620)

More particularly, Mr. Speaker, I might quote from the study which includes the findings of the task force. This was written at the end of Phase I, and was published in February of this year. I quote as follows:

> On the basis of limited data available, the Task Force can identify only one ecological impact of potentially alarming proportions and significance—the impact on the native population of the area.

As I said, Mr. Speaker, this matter has already been dealt with by the Minister of Indian Affairs and Northern Development. The report went on to say:

Appropriate action must be taken in advance to alleviate the ensuing disturbance in their mode of life.

There do not exist enough data to permit a positive statement to where useful action in advance must also be taken. For example, intelligent planning is required so that the destruction of the downstream reaches of the rivers concerned, and of their ecologically sensitive estuary and bay areas can be minimized.

Quoting further:

Finally there are those impacts which are unavoidable and unalterable consequences of the James Bay development scheme, for example, flooding of forest-producing lands, loss of anadromous fish from one or more river channels, and some reduction in sediment and nutrients reaching sea level as a result of entrapment in upstream reservoirs.

The task force found:

There are insufficient data to support a clear-cut over-all preference between the NBR—

Meaning the Nottaway, Broadbank and Rupert proposal.

—and La Grande proposals.

Indeed, one of the terms of reference of that task force was to see which of those two major alternative schemes was preferable from an over-all environmental point of view. Apparently, the task force was unable to reach a conclusion by the spring of this year in respect to that term of reference. Again quoting:

The Task Force has found no cases of fauna or flora species that are near extinction or which are very rare and would be endangered to the point of extinction.

Again quoting:

There do not exist enough data to permit a positive statement to be made that climate in James Bay itself, or in the surrounding area, or even continentally, will or will not be measurably influenced by one or both of the hydroelectric projects now being considered.

Later, it said:

—the Task Force feels that on the geographic scale of these projects alone the effects on the ice regime and other climate-controlling factors will not be more than local.

In other words, the effects, which are likely to be minimal, would be highly localized and probably confined to the province of Quebec.

Mr. Nielsen: What is the date of that report?

Mr. Davis: The report is dated December, 1971, and it was released in early February.

The final paragraph in its conclusions section reads:

The Task Force sees that James Bay now provides, on a grand scale, an opportunity to integrate ecological research with a major engineering program in order to develop data and experience that will be needed in future resource developments in these latitudes. In this way James Bay could become a laboratory of world-wide significance.

In other words, we are embarking on something which both in scale and in consequences is in some measure unique, and considerable care is necessary in order to protect the environment.

Finally, Mr. Speaker, I might refer briefly to several of the recommendations which the task force has produced, and which flow logically from the conclusions which I have already quoted. One of these recommendations is:

That the James Bay project be used as a large-scale natural laboratory for comprehensive multi-disciplinary research into environmental problems and studies of how ecological processes are modified by major developments at these latitudes.

Another recommendation is:

That priority attention be given, before construction starts, to the gathering of data of existing environmental conditions to constitute a base-line measurement against which to relate subsequent changes both temporary and permanent.

And still quoting, Mr. Speaker:

That particular attention be given to river reaches below points of diversion, the estuaries into which they flow, and the storage reservoirs upstream to insure that the transition between the existing ecological equilibrium of these areas and the ultimate new equilibrium shall be as gradual and as non-destructive as possible. This means a planned control of flows and water levels during construction, particularly including maintenance of adequate minimum flows. Effective planning and action to regulate this transition process can be expected to prevent serious consequences similar to those created by the Bennett Dam in the Athabasca Delta area in Alberta.

And still quoting:

That every effort be made to completely cut as much flooded timber lands as possible.

I might say parenthetically that I believe this is the intention of the Quebec government and of Quebec Hydro. Quoting further:

That all future environmental impact studies related to the James Bay development be centrally co-ordinated so as to insure effective communication and interaction between the different scientific teams involved, to avoid duplication of effort in some areas and lack of effort in others.—

The final conclusion I will quote is:

That the co-ordinating mechanism be designed so as to (i) reflect the inter-relationships between the various identifiable elements of the total ecosystem; (ii) provide for the conduct in parallel of both short-term and long-range research studies; and (iii) recognize the jurisdictional responsibilities of the various agencies concerned and harmonize their efforts in the common task.

From what I have already said, it must be apparent to all hon. members that there has been some considerable measure of co-operation between the province of Quebec and the federal government on this matter. This is certainly to be welcomed in view of the fact that there has been very little co-operation of this kind in the past relative to large hydroelectric projects anywhere in the country, so that in one very important sense we are breaking new ground. There has been very close and, I believe, very effective liaison between the new ministry of the environment in Quebec and Environment Canada.

We have offered our considerable expertise to that province, and Quebec Hydro has taken advantage of that offer not only in respect to Phase I studies, which I have summarized in my preceding remarks, but also in respect to Phase II, in which we will be gathering a lot of new basic data necessary to carry out a thorough environmental appraisal.

If I could return to that point of principle which I tried to outline at the beginning of my remarks, Mr. Speaker, ecological investigations must precede the decision to uproot nature, to uproot our natural surroundings. In other words, Mr. Speaker, environmental engineering must be completed before construction starts on a large scale. This is a principle which I believe the province of

Quebec endorses, or certainly appears to endorse, in respect to the James Bay development. It is certainly one in which this government believes wholeheartedly.

Now, I cannot help but make a few comments of what I might term a more political nature. I sometimes wonder when I listen to members of the New Democratic Party talking about ecology, about their concern for the environment. In four cases out of five when they are expressing their concern they are also attacking a large socialistic enterprise. They are either attacking B.C. Hydro, or in recent times occasionally Manitoba Hydro, and now Quebec Hydro. They seem to find that the biggest villians in this piece are government-owned Crown corporations.

• (1630)

I am inclined to agree with that, partly because developments carried out by big Crown corporations are usually on a larger scale than those undertaken by private enterprise. Nevertheless, I find the cynicism of the NDP rather amusing when they rarely attack private enterprise and its callousness. I agree that it is more difficult to get at the large, Crown-owned, socialistic enterprises in this regard because they appear to be less sensitive. This has been true of British Columbia Hydro in recent years and also of Manitoba Hydro. However, there is some reason to expect, as a result of our recent experience with Quebec, that perhaps Quebec Hydro is becoming more sensitive to environmental matters.

The hon. member for Peace River (Mr. Baldwin) referred to our sad experience with the Bennett dam. Like him, I remember the debates in the early 1960s. I also remember putting questions to the right hon. member for Prince Albert (Mr. Diefenbaker) when he was prime minister. In fairness, I think this House should realize that if there was fault in respect of the performance of the federal government of those days because of its lack of insistence on a licence being granted under the Navigable Waters Protection Act for that development, the fault lies both with the government headed by the right hon. member for Prince Albert and the—

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the minister, but his time has expired. If there is unanimous consent of the House, he may continue.

Some hon. Members: Agreed.

Mr. Davis: I would like to say in conclusion, Mr. Speaker, that in retrospect the fault seems to lie with both sides of the House. However, we were not as aware in those days of the importance of the environment; we were not aware of the necessity for the federal government to take a positive stand in respect of large scale developments, even in cases where the effects were likely to be serious and carry downstream to other provinces. We must in future be much more tuned to the need to protect our environment and at the national level we must be highly sensitive to consequences which may result beyond the borders of a province in respect of developments of this kind.

Mr. Aiken: Mr. Speaker, could I ask the minister a question?

The Acting Speaker (Mr. Boulanger): Order, please. Because the minister's time has expired I will have to ask the unanimous consent of the House. Is it agreed?

Some hon. Members: Agreed.

Mr. Aiken: I should like to ask the minister one question for clarification. During my remarks I raised the question of studies carried out by Hydro Quebec. Is the minister in possession of these studies, are future studies to be joint projects between the minister's department and Hydro Quebec or is his department carrying out separate studies on the impact of the project?

Mr. Davis: Mr. Speaker, we have received copies of all the studies of an environmental character carried out by Quebec Hydro. The work that is under way at the present time falls under two headings; one is in respect of joint studies to be carried out with the province of Quebec in phase II, either with agencies of that province or with the environmental department of Quebec. The other category is in respect of initiatives of our own. For example, Environment Canada is carrying out studies with respect to migratory birds, oceanographic effects on James Bay and climatology.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I am really quite pleased to participate in this debate in view of the fact that all hon. members have recognized the importance of this project for the province of Quebec and the fact that it is closely related to the interests of the country.

I want to make a few comments on what has already been said as well as on the project itself; it is my duty as a member representing a Quebec riding. Above everything else, I would like to ask all hon. members to deal with the matter as objectively and impartially as possible.

We all know that this project, the cost of which has been estimated at $6 billion and which should provide jobs for 125,000 workers, is of vital importance to the province of Quebec in the present context.

All hon. members will recognize that if the province of Quebec could improve its economic situation by means of that project, the whole of Canada would profit by it.

I listened with pleasure to the speeches of the Minister of Energy, Mines and Resources (Mr. Macdonald), of the Minister of the Environment (Mr. Davis) and of the Minister of Indian Affairs and Northern Development (Mr. Chrétien) who successively showed clearly that the initiative proposed by the mover of this motion (Mr. Aiken) was not as necessary as the motion made it out to be. The Minister of the Environment and the Minister of Indian Affairs and Northern Development told us that negotiations have been going on for some time with the province of Quebec, which I readily approve.

I should like at the outset of my remarks to ask the federal government to comply with the Quebec government's request, as regards the services as well as the facilities the federal government can provide for the carrying out of that project.

Although the project is typically a Quebec one, I do not believe the Quebec government should be left to carry it

out without relying on the participation of the federal government.

Such has been the practice in various projects in Canada and I do not believe any member ever complained of the fact that the federal government provided services for the carrying out of projects of that kind, obviously very important ones.

I also recognize there are two important aspects for Quebec in the James Bay project, namely economic development and respect of a minority.

I intended to ask some questions to the Minister of Indian Affairs and Northern Development. I also had discussions with some members of the Quebec government on the necessity of taking into account the 5,000 or 6,000 Indians living in that region and of assessing that project from an economic point of view.

In spite of certain concerns voiced in the House this afternoon about studies and research, it does seem, according to the statement of the Minister of Environment, that several studies are under way and some research is also being carried out. This is why intervention by the federal government is unduly feared. We recognize that it is a provincial project and that it is also important for the province of Quebec to carry it out.

The Minister of Energy, Mines and Resources has just said that there is a growing demand for electricity. I believe that this is another guarantee of the profitability of this project. And I would like to say two words on the views expressed a short while ago by the Minister of Indian Affairs and Northern Development.

I believe that if it became necessary for the minister to invite the Quebec government to respect the rights of Indians, he should not hesitate to do it. I also feel that it is his responsibility to make these Indians realize that we must let go of more and more traditions if we intend to keep up with economic progress.

• (1640)

I think that there are many reasons for these changes. Economic progress, and I would even say certain public services, were often required, thus creating difficulties for some individuals. It is not because these displacements are necessary that we should abstain from taking action. We could show you that some groups of people were put in an embarrassing situation in various Canadian regions because of progress.

The Minister of Indian Affairs and Northern Development should indeed offer his co-operation and supervise the moving of these 5,000 to 6,000 Indians. He must make sure that Quebec government offers are reasonable, that the necessary services and certain financial guarantees are provided for their resettlement and readjustment in other regions.

I am convinced that the minister will not fail in his duty. I believe that instead of asking the federal government to intervene immediately, the Quebec government has already negotiated. The minister mentioned several times that he had broached the matter with Quebec and, on that basis, I believe both approaches are comforting.

May I also be allowed to talk of the lack of confidence we have shown not only toward the people responsible for this project, but even toward the government of Quebec. Some people are greatly worried about the financial implications of this project, and I believe that serious surveys are being conducted on this subject at the present time.

In my opinion, the Quebec government can be credited with sufficient responsibility to pursue in depth the assessment of the project. I suggest some hon. members are much too pessimistic as to the quality of assessments carried out so far.

Clearly it is also the federal government's responsibility to control all such assessments and to co-operate with the promoters of the project so that it may be completed and may benefit not only the province of Quebec but the whole of Canada.

In view of these changes and complications and of the reluctance of the group of people involved in the area, should we abandon the project? I repeat what I said before: I believe we should bring every effort to bear so that the project may be carried out with a maximum of co-ordination and comprehension. The promoters should do their utmost to make not only the people to be relocated but those interested in carrying out the project understand that acceptable solutions must be found.

I suggest that we must convince those who are to be relocated to accept the regulations and not to hinder the implementation of the project.

I should like to express a caveat to any hon. member who might be tempted to make political hay of this project, however tempting it may be for some of them to take advantage of such a debate merely to criticize the promoters of the project. It is certainly important enough to warrant objective consideration. It will therefore be recognized that the province of Quebec cannot afford any action likely to hinder implementation of the project.

Mr. Speaker, I would like to remind hon. ministers or members concerned that they should give their best possible attention to the realization of the James Bay project. I would urge them to co-operate, not only because this project particularly involves the province of Quebec but on account of the several other completed projects which have been a source of income. As members of Parliament, it is our responsibility to help realize this project which, in itself, is of utmost importance for the province of Quebec.

In my opinion we will make a gigantic blunder if we confine ourselves to the constitutional aspect of that problem and to a discussion about the jurisdictions involved.

Often I am told that the best referee in a hockey game is always the one who goes by the book and his own judgment in equal measure. We could do the same as far as this project is concerned. It would be a gigantic mistake to say that the Indians have such rights, that the provinces have only certain rights and that the federal government has also the responsibility to ensure that those rights are respected.

Of course, the federal government does assume some responsibilities toward the Indians. We must consider the economic interest of our country and therefore each one of us will have to show its best will toward those jurisdictions.

I am confident that these basic principles will not be overlooked by any member of this House.

Mr. Speaker, before concluding my remarks, I should like to quote from what was said by a university professor about James Bay. His lecture was entitled, Can the Province of Quebec afford to do without this project? I quote:

> Considering the number and complexity of the tasks which await us, considering the huge sums of money—billions of dollars—involved in the hydro-electric, industrial and human development of this territory, some people have asked whether Quebec could commit itself fully to this bold course, whether we can afford such a grandiose policy.

Of course, this will entail rather heavy expenditures. There is some concern over the control of investment in Canada, over the extent to which the federal government can appropriate money for this project. It should be well recognized that the government of Quebec is not that eager to borrow from the United States or elsewhere the money that will be needed.

Surely, the federal government should consider the possibility of making available to the province of Quebec financial assistance which would enable it to realize this project and that would be Canadian investment.

Instead of worrying about the fact that the government of Quebec is borrowing money abroad, some thought should be given from time to time to the assistance that could be offered by the federal government, not only to Quebec but to other provinces as well for projects of public interest. I quote again:

> I suggest that this problem should be considered from another angle. Statistics showing the increasing number of people old enough to work indicate that if unemployment in Quebec is to be reduced from 8 per cent on the average in 1971 to 4.5 per cent as it was in 1966, jobs must be created for 75,000 newcomers on the labour market, for each year during the next ten years. In order to create one new job in industry or construction, an investment of $50,000 is needed today. If half the new jobs are to be opened in these two directly productive fields, as compared to jobs in the administrative and service fields, which in the end are supported by the two others, an investment of nearly $2 billion a year will have to be made for new activities in industry and construction.
>
> The question should not be: "Can we afford to invest $1, $2, $3 or $4 billion a year in the James Bay development project?" but: "Can we allow ourselves not to do it, and what would the alternative be?"

Is it not really the aim which all hon. members should be seeking too? I leave it to them.

Mr. Speaker, I wanted to make these few comments in order to state that I was in favor of the James Bay development project, and especially to urge, in a very special way, the federal government to co-operate willingly, as far as possible, as the responsible ministers have done it. Therefore, I urge them to continue in the same direction, and as a member from a riding which is located in the province involved, I take the liberty to urge all other members from other provinces to co-operate to the realization of this project, not only for the benefit of Quebec but for the benefit of Canada as a whole. They can count, from now on, on my co-operation and that of all Quebec members, as if it were a project introduced by another province and in which the interest of the whole country was at stake.

James Bay Power Project

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, before commencing my remarks, I should like to make an observation with respect to the order in which speakers have been recognized recently in this debate. The Minister of Indian Affairs and Northern Development (Mr. Chrétien) spoke, after which the Chair recognized the hon. member for Comox-Alberni (Mr. Barnett). Subsequently, the Minister of the Environment (Mr. Davis) stood up, at which time I was seen but not recognized by the Chair. Then, the hon. member for Joliette (Mr. La Salle) stood up and was recognized. It seems to me, Sir, that there should be a fairer recognition of hon. members on the basis of numerical strength in the House than is suggested by that distribution.

• (1650)

Some hon. Members: Hear, hear!

Mr. Nielsen: In any event, the motion which has been brought before the House is of interest. I think the debate has been largely academic, because whatever we say here will not make the slightest difference to the direction the government is taking or to the direction the government of Quebec is taking. It will not make the slightest difference to the claims of the Indian people to which I intend largely to confine my remarks. I say this because the project is going ahead. Roads and bridges are already under construction. Some are almost completed. We are told by the Minister of Indian Affairs and Northern Development that negotiations are being conducted. But there does not seem to be very much sense in conducting negotiations for the return of a cow after the animal has been killed and eaten.

The Minister of the Environment (Mr. Davis) says that ecological studies are being carried out. But surely, to be useful, these studies ought to have been made long before the project was ever started. With respect to the treatment of these studies by the Indian people themselves, the report to which the minister referred at some length was actually burned, together with a great many other reports, by the people at Ruperts House late in February shortly after release for publication. The minister quoted at length from the study of December, and one of the recommendations contained in it, in addition to those he read, appear in a report which was printed in the Montreal *Star* of February 24. I quote:

> An element in the book burning is that the people resent a statement in the ecology report—a perfunctory, throw-away statement—that people here depend on white people and that do not depend on trapping and hunting "as much as some people think."

If this is a gauge of the calibre of the study being conducted by both governments, and which the minister cites as his authority for saying that this ecological survey is being carried out, if this is a measure of the concern felt for the rights of the native people affected by this project, then I suggest the report is not of much use, anyway.

The Minister of Indian Affairs and Northern Development has chosen to make a great distinction between representations which he receives officially and representations which he receives otherwise. He continually makes this distinction. He is resting his oars on it now. The native brotherhoods which have been set up across the country

are being used by the minister as a political buffer between the actions of his department and the legitimate requests of the native people. I would remind him that he has responsibility under the Indian Act to consider not only the representations of provincial and territorial brotherhoods; he has a duty to consider the representations made to him by individual band councils, indeed, by individual Indians in this country. So when he stands in his place and sheds crocodile tears because he has not received any representations of an official nature, I do not feel much sympathy for him. Indeed, I condemn him for abdicating his responsibility under the Indian Act to do something positive.

I ask the minister this: What is the use of standing in this House today and telling us he has refrained from intervening in this affair because of a fear of being paternalistic, because he has been asked by the Quebec Association of Indians to wait until they call him, when all the time the project is moving inexorably ahead? He is not disclosing the full facts when he says he has received no representations of an official character. If he confines that statement to representations he has received from the Quebec Association, he can hang his hat on that very slender peg. But he received, in July, a petition directed to him by 33 Indian chiefs. I have a copy of it here and the minister is welcome to see it, though I am sure he must have it in his department.

Mr. Chrétien: I should like to make one point if I may; I do not think the hon. member would like to misinform the House. I recognize that this resolution was passed last July, but it was not transmitted to me until last Monday. Of course, they pass resolutions in many different regions on different dates, but those resolutions were not transmitted to me until last Monday.

Mr. Nielsen: This is not a resolution, Mr. Speaker, it is a petition which was forwarded to the minister. It reads:

> We, the representatives of the Cree bands which will be affected by the James Bay project or any other project, oppose those projects because we believe that only the beavers have the right to build dams in our territory and we request the Minister of Indian Affairs and Northern Development to use his legal jurisdiction to stop any attempt of intrusion on our rightful owned territory by the government of the Province of Quebec or any other authority.

At the foot of that document, there appear the signatures of 33 chiefs of the area.

Mr. Chrétien: It was sent to me last Monday.

Mr. Nielsen: The minister may have received it officially last Monday, if he wishes to hang his hat on that slender peg, but he cannot tell us he was unaware of the upheaval this project has been causing and the resentment it has aroused in the region affected, a resentment which is almost universally felt by representatives of the Indian people and certainly by the combined band councils. Granted, the minister may not have received representations from the Quebec brotherhood, officially, until last Monday, but he cannot say he was not aware of the problems which are confronting these people, that he was not aware of their concern for their rights in the land which is affected by this project. Nor can he tell us he is not charged directly with responsibility, as minister, to intervene to ensure that the legal rights of the Indians in this area, founded upon the documentation which has been read into the record by the hon. member for Comox-Alberni (Mr. Barnett), are protected.

The minister tells us, in his holier-than-thou attitude, that we should not use these people as a political football, thus hoping to excuse his inaction in discharging his responsibilities towards them. He says he hopes members will not take extreme positions. But I suggest to him it is not playing politics to direct criticism at him and his department where criticism is justly deserved, and it is not taking an extreme position to criticize the minister for failing to discharge his responsibilities as clearly set forth in the documents already placed on record and in the Indian Act. It does not do very much good for the Indian people, whose land rights are affected, for the mininster to "snow" the House with platitudes about not wanting to be paternalistic to the native people affected and not wanting to intervene. These people had the right to expect his help, and to expect his intervention, to protect their rights from the very outset, but they did not get it. In this regard, the minister has absolutely abdicated his responsibilities under the act.

• (1700)

What good, I ask, will holding a meeting with the government of the province of Quebec do now? What good will it do now that the authority has already been granted for the project to proceed? What good will it do in areas affected by construction of roads and bridges already under way over lands to which these people have a legal right? His duty was to do something before the authority was granted to get the project under way. His clear duty under the act was to do something before the project, or any part of it, got under way. His clear duty under the act was to ensure that the rights of these people were secured and that their bargaining position would thereby be secured. Their bargaining position at the moment, and in any negotiations that follow, have to be seriously weakened by his inaction.

These people cannot now say, "Retain for us some of these traditional hunting and fishing rights from which we and our ancestors have made our living for over 100 years". All they can say now is: "You have taken away our land rights, overrun our lands; you are going to destroy our traditional hunting and fishing grounds and take away our lands from us from which we have gained our livelihood for centuries; we therefore need compensation". All they can negotiate for now is compensation, and that from a very weak position because of the inaction of the minister and his abandonment of his clear duty under the Indian Act.

The combined chiefs who sent the minister the petition should have been heard. The minister spoke recently in committee about this great dialogue that is going on between him and his departmental officials respecting the formulation of policies affecting the native people of Canada. It is dialogue that is one way, dialogue that the minister and the government of which he is a part construe as meaning the setting and the formulation of unilateral policies, policies formed without consultation with the Indian people, as clearly substantiated by the report of the subcommittee of the cabinet considering the funding of native associations which was submitted to the

interdepartmental committee in June of 1971. No part of that very complex and extensive document making all sorts of recommendations, a document which, I might add, has been approved by the cabinet, has been discussed with the Indian associations. That is the government's idea of dialogue.

Mr. McCutcheon: That is not dialogue, it is monologue.

Mr. Nielsen: Exactly, it is monologue. The minister said in his statement before the committee respecting his so-called new northern development policy that the prime concern of him and his officials was to make sure that the native peoples are involved not only in policy making—which they are not—but also in matters such as the James Bay project.

I am informed that of the jobs which were available last summer—I think the premier of Quebec said that the over-all project would create something between 100,000 and 125,000 new jobs—a very small fraction of 100 native people were hired on the project. That information comes from individuals on the spot. I might also inform the Minister of the Environment (Mr. Davis) that I am told that none of the areas that it is intended to flood by the dams and rivers to be constructed in this project are going to be denuded of timber, of growing trees. This will effectively destroy a good deal of the viability of the land so far as it has the capacity to support the needs of the Indian people of the area.

With respect to the minister's defence of the Minister of Transport (Mr. Jamieson) concerning the applications made under the Navigable Waters Protection Act for construction of bridges, again it is my understanding that the bridge at Mattagami was two-thirds completed before any application was made for permission to build it, and before federal approval was obtained. The only hope that the Indian people who are affected by this project have at this stage, now that they have been sold down the river, as it were, by the minister, is to negotiate for some form of compensation. What can be negotiated? In my view, the only negotiations possible are in the area of the establishment of an industry that will replace that which has been taken from them, namely the way they have made their living in the past. I suggest, perhaps, their participation in industries such as tourism, fish and duck camps, perhaps in boatbuilding, woodworking, canoe making. It will not be much good to come up with a settlement involving dollars that they will put in the bank; that will not keep the Indian people of the area alive.

The action of the minister, or rather his lack of action in my view, in this matter has been deplorable. The Minister of Energy, Mines and Resources (Mr. Macdonald) and the Minister of Indian Affairs and Northern Development have bobbed, ducked and weaved all over the place on this question. It is only now that the resolution of the hon. member for Parry Sound-Muskoka (Mr. Aiken) is before the House that they have come up with some examples. I am really surprised by this. I know that the representatives of the Indian people of this area have been seeing the minister this week, and I expected him to come into the House with a positive statement outlining what he is going to do on their behalf. I am really surprised that he or some member of the government has not come to the House and informed the House exactly what the government intends to do on behalf of these people. I suggest he has not done this because it is a matter of embarrassment to him.

My suggestion to the minister, being as politically gentle as I can, is that the reason he has not intervened in the past—for he had a clear responsibility to do so—is his fear of embarrassing the Liberal government of the province of Quebec. There is no way that this Minister of Indian Affairs and Northern Development wanted to get into a hassle with the premier of the province of Quebec. This is why he has abdicated his responsibility and thrown these Indian people to the wolves, as it were.

There is another aspect of this matter—

Mr. Osler: Did you get that from a tapped line?

Mr. Nielsen: I cannot hear the hon. member. If he would get to his feet and address the House, perhaps he would be more successful.

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

Mr. Speaker: Order, please. I wish to remind the hon. member for Yukon that he has one minute left to finish his speech. If questions are asked and he allows them, his speech will end in one minute in any event.

Mr. Nielsen: Well, Mr. Speaker, the House has been most generous with other hon. members and I hope that I am being sufficiently entertaining to receive the same courtesy from the House. Therefore, I am prepared to entertain a question.

Mr. Osler: It is not a very serious question. I was wondering whether the hon. member got that information over one of the tapped lines he is so fond of talking about in this House. I am referring to his authoritative statement about the minister's relationship with the premier of Quebec. Did he learn that from one of the tapped telephone lines that he talks about so authoritatively, without bringing forward any evidence that such is the case?

• (1710)

Mr. Nielsen: I think the hon. member is tapped. There is one other very serious aspect of this matter—

Mr. Speaker: Order, please. The hon. member's time has expired. He can continue only with the unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Speaker: The hon. member has the unanimous consent of the House to pursue his remarks.

Mr. Nielsen: I thank hon. members for their courtesy, Mr. Speaker. The other serious aspect—I will be brief—is the conflict of interest with which the minister is confronted here. He is the Minister of Indian Affairs and Northern Development and as such he has direct responsibility to care for the best interests of the people coming under his jurisdiction, namely, the Indian and Eskimo people of Canada.

On March 15, as reported in a Montreal newspaper, he approved of the James Bay project. I do not have the

quotation immediately available, but he did approve of the James Bay project on that date. Shortly thereafter he said in the House of Commons that he did not morally approve of the project. I will read that quotation in a moment. On March 29 the minister stated in the House, as recorded at page 1265 of *Hansard* for that date:

Mr. Speaker, I have no moral approval to give on this proposal. I repeat once again that I follow very carefully the talks taking place between the Indians and the Quebec government on the James Bay proposal. In due course, at the Indians' request, I shall be glad to participate in the discussions.

Not only is there a conflict between his statement of March 15 in Montreal and this statement, but he said again on April 24 that he did not have to establish Indian priorities in Quebec. It is his clear responsibility to do so, yet he is telling members of the House that he has no such responsibility. As a minister of the Crown he is coming down on the side of approval of this project, yet at the same time he has a responsibility to take action under the Indian Act to maintain the integrity and security of the rights of these Indian people. These are the rights of the people involved in the James Bay project. So there is here a clear conflict of interest.

I am not alone in this view. This opinion has been expressed in the press and by others concerned with Indian affairs. It seems to me the government is confronted, in respect of this project, with a clear requirement to decide whether the Minister of Indian Affairs should continue to act while the government is taking a stand to approve a project which is directly to the disadvantage of the Indian people involved.

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I do not intend to take up too much time in this very interesting debate. I commend the hon. member for Parry Sound-Muskoka (Mr. Aiken) for raising the topic. I am tempted in some ways to perhaps take out my tomahawk on this issue, but I will save that for later.

When speaking on this question I suppose it could be said that if the Indian people had adopted a different immigration policy many of these problems would not have arisen. On the other hand, I am reminded of my good friend Gus Gottfriedsen, chief of the Kamloops band. The reservation there is across the river from Kamloops, and when he looks across the river he says, "I see the white men building cement basements. I guess they intend to stay here for a while."

This topic has been a very lively one in all parts of the country, especially in my constituency. I suppose there are a number of reasons for that. There is a very large Indian population in the province of British Columbia, 50,000 or so, and there are 12 or more reservations in my constituency. We have been faced in the Kamloops-Cariboo area with a situation which involves similar principles. There was an attempt some years ago to divert water from the Shuswap River to the Okanagan River. It was being made on very narrow grounds—actually, on a purely physical basis. In a report by the provincial government it was stated that it was physically possible to move water from point A to point B. The government did not consider any of the environmental consequences.

I understood from the remarks of the Minister of the Environment (Mr. Davis) that he feels it is regrettable that many of the projects developed in the past were carried out without consideration of the total environmental picture, the environmental consequences and what might happen if you divert water, in this instance, from the Shuswap River to the Okanagan River. The members of various governments which made these decisions did not consider what might happen if you dam a river or a series of rivers. They did not consider the ecological consequences.

I am pleased that the people in my constituency, particularly those in the Kamloops-Shuswap area, got up on their hind legs and fought very hard against the proposal to divert water from the Shuswap River into the Okanagan River. As a result of the fight they put up, we were able to obtain what is called the Okanagan basin water agreement, signed by the province of British Columbia and the federal government. The resulting study will be one of the most comprehensive, in respect of water, ever carried out in this country. I think this is the best way to proceed in respect of such a project.

Environmental and ecological consequences must be evaluated before decisions are made. I regret that in the case of the James Bay project the ecological and environmental parameters were not investigated before the decision was made. That is very regrettable. As we go down the trail from here I hope that with a very enlightened Minister of the Environment, a very enlightened parliament and Department of the Environment situations such as this will not occur. I hope we will be much better informed about our environment and ecology, which involves birds, bees and animals of all kinds, before this type of decision is made.

Let me deal for a moment with the report on the James Bay project, entitled "A preliminary study of the environmental impacts of the James Bay development project".

Mr. Nielsen: How about the land rights of Indian people?

Mr. Marchand (Kamloops-Cariboo): I will get to that. I should like to quote a few paragraphs from this report which I think are significant and represent the kind of thinking that should take place before the project proceeds. The report reads in part:

Any intervention in the environment, if it modifies any one resource, agent or process, is bound to have an effect at every strata of the ecosystem, through the close interactions between resources, agents and processes. Prior to any intervention it is necessary to determine at least the orders of magnitude and significance of the impacts and to evaluate the relative vulnerability or compatibility of the site with respect to the anticipated development. In this context the terms "magnitude" and "significance" are not necessarily synonymous.

If the specialists' views and recommendations had been heeded, many of the environmental consequences of the Great Aswan High Dam—some of which have been described as disastrous—could have been avoided; but none of these specialists had "the strength or the influence to be heard at governmental or policy levels . . . while the integrating forces of human society in Africa and elsewhere come apart in the face of single-tracked ramrod solutions that erode, then erase, our environment"

That is a significant statement. Another significant paragraph reads as follows:

If man is to become an intelligent resource manager, he will need to take the proper steps, indicated by ecologists and other

environmental specialists, to restore nature to a new state of equilibrium at least as diversified and productive as before.

• (1720)

I should like to turn to some of the conclusions outlined in this report which bother me very much. The first conclusion reads:

On the basis of limited data available, the Task Force can identify only one ecological impact of potentially alarming proportions and significance—the impact on the native population of the area. Appropriate action must be taken in advance to alleviate the ensuing disturbance in their mode of life.

It continues:

The hydroelectric development project will affect about 6,000 people (approximately 90% Indians), distributed along the coast and inland in the following settlements:

I will leave it at that, and quote from another paragraph with which I should like to take issue.

Indians in the area are, economically and politically, strongly dependent on white man's society. Fishing, hunting and trapping are still important social and economic activities in the life of the region, but the Indians are no longer as economically dependent on them as some people think.

I should like to challenge that statement. I disagree with it and I will deal with it a little more fully at some later date. I am going to be participating in the meetings when the Minister of Indian Affairs and Northern Development (Mr. Chrétien) meets the people of Quebec. I should like to examine all of the facts before I take out my tomahawk in this particular case.

There are three points I should like to make in the summation of my remarks. As I said before, it is regrettable that projects like this in James Bay commence without studies being made well ahead of the decisions. Decisions should be based on good, sound studies rather than trying to justify them by studies later. Second, it is my hope that a satisfactory solution to this problem can be worked out between the Indian people in the James Bay area and the government of the province of Quebec. I hope that as a result of these dealings with the province of Quebec, a new and better life can be found for these Indians, if this is their wish. However, it is imperative that they be adequately consulted and their wishes respected.

Some hon. Members: Hear, hear!

Mr. Marchand (Kamloops-Cariboo): The last point is, I hope we will see some further discussion on the question of aboriginal rights. The question of aboriginal rights is involved in this whole decision. As we go further down the trail, I hope we will get a report from Mr. Barber, the commissioner who was appointed to look into incidents in which treaties have been abrogated. I hope Mr. Barber can come up with some suggestions whereby grievances can be finally settled.

Mr. Nielsen: What a hope.

Mr. Marchand (Kamloops-Cariboo): I was very encouraged by some of the remarks made by the Minister of Indian Affairs. I have said before, and I say again, that I have a great deal of confidence in this minister.

Some hon. Members: Hear, hear!

Mr. Marchand (Kamloops-Cariboo): He has done a lot of things, taken some pretty hard decisions and has a very tough role. In many respects, the Minister of Indian Affairs is somewhat like the Minister of Finance. The people always say none of them is really good.

The situation of the Indians in this country is very serious. It requires a lot of cool thinking and study. One of the most important things that has been happening in the past few years is that the Indian people are being consulted on what kind of life they want. This is sometimes awkward and sometimes very difficult, but I believe this minister is sincere. I know he is sincere in his efforts to try to bring about a better relationship. For verification of that statement, one need only look at the amount of money that has been spent and the number of organizations that have sprung up in the past three years. This never happened before. I disagree with the hon. member for Yukon (Mr. Nielsen) who said that these organizations are being used as a political buffer. I say to the hon. member that I am surprised. This indicates the hon. member does not know the Indian organizations very well. If he is out of touch, he should have a little chat with them to see whether they like being called a political buffer or political whipping boy for the Minister of Indian Affairs.

Mr. Nielsen: I said the minister is using them in that way.

Mr. Marchand (Kamloops-Cariboo): That is a lot of baloney. It just is not the case. We have some very competent Indian leaders on the scene today who are supporting the rights of Indian people. I think the Minister of Indian Affairs is correct when he says he should not intervene in these situations until he is asked to do so by the Indian organizations and the Indian people involved.

Mr. Alkenbrack: You have contradicted yourself.

Mr. Marchand (Kamloops-Cariboo): I have not. It is a good principle. For too long, the Indian people have been patted on the head by governments and people. They have been told "Nice little Indians; go back to the reserve and be good boys". This minister has not been doing that under any circumstances.

Mr. Nielsen: He sold James Bay land down the river.

Mr. Marchand (Kamloops-Cariboo): That is not so. Right from the beginning when he took office, he said "I am too young to be the great white father to so many people".

In closing, I want to offer any assistance I can give to the people of Quebec and the people of James Bay. I have made this offer before to some of the people, but they have not requested any assistance. As I said before, I am going to be participating in the meetings between the minister and the Indian people of Quebec. I hope that a satisfactory solution can be found.

Some hon. Members: Hear, hear!

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

James Bay Power Project

Mr. Speaker: The hon. member for Yukon (Mr. Nielsen) would like to ask a question of the hon. member for Kamloops-Cariboo. He can allow the hon. member to do so if he wishes. Apparently the hon. member indicates he will receive a question.

Mr. Nielsen: The hon. member is too kind. Does the hon. member agree that the Minister of Indian Affairs and Northern Development has a clear responsibility under the terms of the Indian Act in a case like James Bay to secure the integrity of the land rights of the Indian people of that area before the commencement of the project, and then sit down to negotiate the terms upon which the project can go ahead? Does the hon. member agree with that?

Mr. Marchand (Kamloops-Cariboo): Mr. Speaker, I think the Minister of Indian Affairs made the position of the government very clear when he said the interests of the Indians will be protected by this government.

Mr. Nielsen: Do you agree with that statement or not?

Mr. Marchand (Kamloops-Cariboo): The approach being taken, where the minister is not pre-empting his duty to the Indians and the responsibility they want to take upon themselves, is good. As I said before, it has too long been the case that successive governments have been treating the Indian people as children. That is not the attitude of this minister. I think he is taking the proper course.

Mr. Nielsen: Their land rights are gone.

Mr. Speaker: The hon. member for Timiskaming (Mr. Peters). Order, please. I am not sure whether the hon. member for Kamloops-Cariboo has terminated his remarks. In fairness to him, if he has more to say, he should be allowed to do so before I call on the hon. member for Timiskaming.

Mr. Marchand (Kamloops-Cariboo): Mr. Speaker, I quote the story of my good friend Gus Gottfriedsen: The white man is here to stay.

• (1730)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I appreciate the opportunity to take part in this discussion. I have listened very carefully to the speeches made and I think I have learned something from them. I would like to say to the previous speaker that he belongs to a government that has negated its position by not bringing this matter before the Parliament of Canada a long time ago and leaving it to the opposition to do so. To you, Mr. Speaker, goes part of the credit for your wisdom in allowing this debate.

Mr. Speaker: Order, please. According to the rules, hon. members are not allowed to praise the Speaker's wisdom.

Mr. Peters: I thought that if the statement was affirmative it would be permissible. During the last election in the province of Quebec the idea was born of establishing 100,000 jobs for the people of the province. In looking for ways in which this might be accomplished, the decision was taken to start the James Bay power development project. This was done in a totally political atmosphere. No study was undertaken by the provincial government. As a matter of fact, the project had not been discussed to any great extent.

You will remember, Mr. Speaker, that Mr. Kierans, an engineer from Sudbury, put forward the idea of developing the Grand Canal which was a diversion from Hudson Bay and which would have taken in the Rupert River, the Harricanaw River, the Moose River, probably the Matagami River, the East Quebec River and a number of other rivers flowing into the James Bay area. This project was also supported federally by the Liberal government. One of the candidates in my area spoke about running barges up from Ottawa to New Liskeard. Freight was to be floated back and forth and industries would thus be established. Suddenly we found that the provincial government would receive the benefits.

Before the hon. member for Kamloops-Cariboo (Mr. Marchand) leaves, I would like to say that I am not very proud of the representation that he has made. He has been more interested in supporting the position of the Minister of Indian Affairs and Northern Development (Mr. Chrétien) than in speaking for the people who need to be represented here. I know some of the Indian people in that area. They have been in the bush for years. They have been trapping and they have made a livelihood from that way of life. Their way of life, in my opinion, has not prepared them in any way to question the power of the Quebec government, which in any case does not brook questioning from anyone. They have not been able to speak for themselves. They have been in need of strong representation and they have looked to the government to protect their interests.

My colleagues have drawn attention to the legal requirements of the treaties. The Indians for many years have been protected by the federal government under agreement. When the government gave to Quebec jurisdiction over the land in that area, we retained certain land rights on behalf of the Indians. The Indians themselves are not capable of putting up the kind of fight that is necessary. Here I am not referring to the Caughnawaga reservation where the Indians have been dealing with the government for a long time, or to the Six Nations reserve in Brantford which has been dealing with the government for a long time. I am referring to the nomadic people in the area who have not had much to do with governments, and the little experiences they have had with white people have been bad.

The hon. member for Kamloops-Cariboo has the right and the ability to speak on behalf of the Indian people and in my opinion it is his obligation to speak for them. In my opinion he should have supported the position that has been taken by many other people in the province of Quebec, namely, that the rights of the Indians must be protected. This has not been done, and I condemn the minister for not doing it on behalf of the Indians. The very least that the federal government, in particular the Department of Indian Affairs and Northern Development, could have done was provide a legal precedent by applying to the Supreme Court of Canada for a decision regarding the land rights of Indians and what would be a reasonable settlement.

During this summer a $60 million project for building roads in that area is going forward. Under no circumstances does Quebec own that land. Anybody else would be protected by expropriation rights and would have the right to go to court. But a man who has been living from trapping, a man who has been only peripherally involved with white people, has no such right. All that the Indians have received from the white people has been bad, such as alcohol, dealings with the Hudson's Bay Company, and so forth. The Indians' way of life has not enabled them to deal with white men and to oppose the Quebec government, which has given no consideration to their rights.

If the hon. member for Kamloops-Cariboo is to represent the Indian people, and it is his right and responsibility to do so because he has a greater advantage than the rest of us, he will have to say that the minister has not done a good job. Instead, he supports the minister. The project has already been started; the bulldozers and developers have moved in.

Mr. Marchand (Kamloops-Cariboo): Don't just pick on me.

Mr. Peters: I am not just picking on the hon. member. I, too, have an obligation toward the Indians because I represent five Indian reservations. All I am saying is that the hon. member is fortunate in having an advantage that I do not have. I am sure that because of his background he is able to go into these areas and talk to people who would resent my doing so. He is able to talk to the Indians who would violently resent the minister. They do not resent the hon. member because of his special birthright. Therefore, I say he has the obligation, and certainly the ability and the right, to act in a special way to ensure that those rights are not negotiated away.

The Indians' rights must be protected in a special way. That is why the Queen said she had a responsibility toward the people living on these lands. Just because it is the province of Quebec that is involved does not give this government the right to waive the treaties which give the Indians special rights. These are God-given rights until they themselves ask that they be revoked or modified.

Some hon. Members: Hear, hear!

Mr. Peters: An article in the Montreal *Star* of March 27 reads as follows:

> The province began negotiating when a commission of inquiry under Judge Henri Dorion established that the native people have "real and incontestable territorial rights" over huge tracts of northern Quebec, including the James Bay area.
>
> The provincial government, in what the association lawyers describe as a "sign of good faith", has already agreed—

It goes on to say that they waived the 8 per cent sales tax in the area. Big deal! They did say that they gave some concessions, but what are they to these 7,000 people who are not represented by any really unified force? To be fair to the minister I should point out that he has done a good job in helping the Indians to develop the ability to participate in meetings and to discuss their problems. This minister should be given full credit for that, but I suggest that he knows as well as I do that the Indians have not yet fully developed this ability.

James Bay Power Project

Four years ago the minister set up a meeting in Sudbury at which the chiefs sat around the table. Each one said, "I will pass because I want to hear what everybody else has to say". So 25 chiefs sat around the table and no one said anything until they came back to the first one who spoke. They all decided to wait until someone else had spoken, and no one got around to speaking. The people did not understand. The chiefs of the bands had never talked to each other before.

• (1740)

Mr. Chrétien: That was four years ago.

Mr. Peters: That is right, and I give the minister full credit for having developed this policy. But it took us 200 or 300 years to do that. Now, how can we suddenly expect the Indians to stand on their own feet in our councils without our backing? The minister should not wait until they come to ask him. He is supposed to protect their interests. If he and his department leave it up to the Bourassa government, which is only interested in creating jobs for Quebec voters, the Indians will have nothing left to negotiate in a few years.

The Minister of the Environment (Mr. Davis) today took another tack. He indicated he was very concerned that the department had not been able to ascertain a number of things that should be ascertained in advance of construction. The Minister of Energy, Mines and Resources (Mr. Macdonald) showed a great weakness in his argument when he said we have not really discussed hydroelectric power as an energy resource, and that we do not know what our actual needs are. If we develop the power at James Bay, we may find that the province of Quebec cannot afford to make a $10 billion expenditure in that field, because power may be generated more cheaply through other means. I well remember an argument which took place in Saskatchewan a number of years ago, when it was pointed out that hydro power in that province was not the cheapest form of power, and that power could be produced more cheaply there through the use of thermo plants.

The Minister of the Environment indicated that his department had completed only a preliminary study, and the Minister of Indian Affairs and Northern Development showed a great weakness in his ability to negotiate for the Indian people. I point out that these Indians are not like those in Fort George, Prince Rupert or any of the reserves. They live spread out over the entire area. I am sure many of them only know who their band chief is, and quite often that is the only relationship they have with their band. Some of them live permanently on reserves, but a very large number of them spend most of their time hunting and travelling around the territory in which their hunting grounds are traditionally located.

Mr. Nielsen: And secured for them.

Mr. Peters: Yes, and secured for them. Despite what this House has been told, they are not in a position to negotiate. They will have to be protected by do-gooders. The James Bay Committee met in Montreal in March of this year. Most of the members of that committee are do-gooders. They have pointed out some very interesting things

concerning the attitude of the developers of the area. I quote from their report as follows:

> The Development Corporation has gone ahead and started the construction of a road network without first seeking or obtaining the permission of the native peoples who live on the land. This contradicts public statements of the Corporation proclaiming concern about them.

The premise there was:

> The inhabitants of the area will be the first to benefit from its development.

This statement was made by the president of the James Bay Development Corporation on January 18, 1972.

> This statement reveals an assumption which F. H. Knelman has interpreted thus:
>
> Our "progress" and our values are . . . not open to question or doubt, and we have the divine right of developers to confer these upon native peoples whether they want it or not.

The report also includes some of the irrational statements that developers make, and which could apply in this case, such as:

> The program—as proposed—has to be enacted now.
>
> The program will be enacted in any event. You can't stop progress.
>
> The program is needed to fill the demand that will be created by the program.
>
> No one opposes the program. It will benefit the majority, and harm no one.
>
> Data used to estimate effects of the program are the only valid, pertinent data available.
>
> Since there is no proof that the development will damage the environment, we can safely assume it will not.
>
> All effects of the program have been considered.
>
> The program, as presented, represents the sum total of the development contemplated for this particular resource.
>
> All applicable alternatives have been considered.

That is the attitude of the developers. Obviously, that is the attitude of the Quebec government. You know, Mr. Speaker, the Quebec government was embarrassed by the Hamilton Falls project in Labrador. This did a great deal to hurt their prestige. They did not like it one little bit. Now, they think they have to do something to counteract that.

I plead with the Minister of Indian Affairs and Northern Development. I consider him to be a very progressive minister. He is a person who has thought out some of the problems of the Indians. This is something I do not say about his department. Some of the officials are as archaic as some of the treaties they are abusing. In my opinion, the minister is progressive but his departmental people are not. They are cowards. They won't really make any decision on anything that might get them into trouble or make work for them.

Mr. Nielsen: You are just saying that because the minister used to be a member of the NDP.

Mr. Peters: I didn't know that. Well, there is a saving grace in everyone. I suggest that the minister should not rest on his laurels, on his ability to provide a new environment in which the Indian population will be able to negotiate. I ask the minister to give serious consideration to the claims of the Indian people to the territorial lands given to them by treaty. I consider those treaties to be sacred, held in trust by the federal government, not to be negotiated with provinces, not to be negotiated with developers but only to be negotiated with the Indian people.

We have a law in this country which provides that if people are not competent to enter into a legal agreement, then a legal agreement cannot be negotiated. It is my opinion that the Indian people are not competent to assess the value of what they possess. The native peoples are looking at their land in terms of their livelihood, in terms of their background, in terms of the use to which they put it. This is land that may be worth far more than any other type of land in 50 years time. Water may become our richest resource on this continent. It is something that, in its pure form, will be very precious. If this minister allows the Indians, in their ignorance of the potential of the land, in their inability to deal with the courts of the land, to lose their land, he will have failed in his duty. If he gives up the duty that has been entrusted to him by the people of Canada, and by the parliament of Canada, to protect this land which has been left as a heritage for the Indians by the Queen who negotiated the treaties in good faith, then he will have done nothing for democracy, nothing for the native peoples of this country, and he will be forever remembered as the one who sold out their heritage for a mess of potage.

The minister is a young man. I am sure he will be here for quite some time.

Some hon. Members: Hear, hear!

Mr. Bell: But not as a minister.

Mr. Peters: I hope he is around for a long time, but I do not want him sitting in this House in two or three years time, and saying to himself and the people of Canada that if he had to do it over again he would do what he was supposed to do in the first place, that he would provide the protection to the Indian people that it was his obligation to provide, that he would provide it whether they asked for it or not, that he would make money available to them to protect their rights, rights which another government would have stolen from them because of their ignorance and because of his unwillingness to defend them.

• (1750)

Mr. Speaker, I may be unfair to the nature of the Indian people, but in my part of the country many of them are like children when it comes to dealing with the white man's problems. We have seen them in the courts, we have seen them trying to buy cars, we have seen them dealing in the white man's society in a less than competent manner. Knowing that, I cannot stand here and say that the minister should wait until they all get together and decide to come to him for protection. Mr. Speaker, he has an obligation to protect the Indian population in the James Bay area now. Anything less will be a sell-out of the rights which those Indians deserve in a fair and just society.

Mr. Ian Watson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I should like to join other members of this House in expressing gratitude to the hon. member for Parry Sound-Muskoka (Mr. Aiken) for affording us this opportunity to discuss a most impor-

tant question and one with which we are all likely to become more and more concerned during the next year or two.

[*Translation*]

When the Quebec Prime Minister introduced in the National Assembly Bill 50 on the development of the James Bay area, the main argument used by his opponents—the technocrats of the Parti Québecois and of Quebec Hydro who led the opposition against Bill 50 in the National Assembly—was that it would be more profitable for Quebec to develop atomic energy than the hydroelectric potential of the James Bay area.

Given the increasing cost of building and maintaining atomic plants and the problem of controlling the pollution which those plants might cause, I believe that economically the hydroelectric project is to be prefered to atomic plants because of the touristic and mining advantages which will result from this project.

However, I was most concerned to find that during the debate on Bill 50 no mention was made of the Cree people who are the only residents in the area involved. Mr. Speaker, I would like now to deal with this subject.

[*English*]

Mr. Speaker, under certain circumstances I am convinced that this project could benefit the people of the area. In theory, it can supply jobs that the growing population along the coast of James Bay and the interior need. Until recently, wildlife resources in the area were adequate to provide a livelihood but this is no longer true.

When I was chairman of the Standing Committee on Indian Affairs and Northern Development I visited the James Bay and Hudson Bay areas in the autumn of 1970 along with three other members of the committee. Meetings were held with the Cree peoples at Miskassini Post, East Main and Fort George and many things were discussed. The question of language seemed to bother the local people more than anything else. We put forward the proposition that the children learn both English and French in school, asserting that jobs in the hydroelectric industry or the mining industry would require a knowledge of French whereas the tourist industry and the prospecting industry would require English. They indicated that they would be interested in learning both languages but were insistent on their right to choose the language of instruction for their children. It should be remembered that the language of all these people at home and at work is still Cree.

In our discussions, the prospect of hydro development did not invoke any adverse reaction from the public audience. About a year later the project was officially announced and no doubt there will be additional reaction as more and more activity appears on the scene. In theory at least, in this kind of scheme we should be able to provide the type of development where the people would play a major role. However, judging by past experience, can we really hope that the Cree peoples of the James Bay region will have an important role to play? Certainly there is nothing in our recent history to justify that hope.

The Standing Committee on Indian Affairs and Northern Development recommended that the education branch of the department should tackle innovative education for young Indians in the James Bay area because of the additional language problem there which is not faced by Indians elsewhere in Canada. The Department of Natural Resources of the province of Quebec wishes to have French as the working language of the area. This conflicts with the Anglican heritage of the Cree peoples, whose language remains basically Cree but whose exposure through religion has been to English, so there is some prejudice in favour of English rather than French.

Given this conflict of interest, the committee recommended that the department devote its initial energies to the inauguration of new teaching methods that would enable the younger people in the region to master both the English and French languages. That is asking a lot, considering that we in the rest of Canada are not able to do this. So far as I know, the Department of Indian Affairs and Northern Development has not moved toward implementation of this particular recommendation.

• (1800)

We also urged, in our education committee report, a new approach to vocational training. One of the deficiencies in vocational training, whether in Indian schools or white schools in northern Canada, is that vocational courses supplied to youngsters and students simply do not reflect the industrial needs of the area. For instance, mining courses are not available where mines exist. We feel it is only common sense for the kinds of courses offered to students to reflect the kind of job opportunities that are likely to be offered in the area.

I am not aware yet of any innovation in our program which would permit, in the James Bay area and Hudson Bay areas, Cree youngsters to acquire the type of education and, later, the type of vocational education which is necessary if they are to play an important role in the hydroelectric developments projected there. If, on the other hand, everything that should be done were to be done, if we were to do everything to permit the Cree peoples of this area to play the major role which should be theirs in any hydroelectric development after the construction period is over, I am confident that the support of the indigenous peoples for this project would be increased. If that support were not guaranteed, at least there is a very high likelihood that the project would be approved by the Indian peoples living in the area.

Quebec, in its approach to the peoples of the area through the provincial department of natural resources, has not given us too much ground for encouragement.

[*Translation*]

The Minister of Natural Resources of Quebec has made the mistakes of paternalistic actions in New Quebec as our federal ministers responsible for the Indians have been making since the beginning of the twentieth century.

[*English*]

We are making the same mistakes all over again. Quite frankly, since the announcement of the James Bay project there has been nothing in the approach of the department of natural resources of the province of Quebec which would indicate a change of heart or a more enlightened approach to the job. There is nothing to show that any-

thing more has been done to prepare the indigenous peoples for the new kind of development which is proposed.

It is all very well to talk about settling with our Indian peoples in the area and negotiating with them. Whether these negotiations succeed or not, I am convinced that the Indian peoples could decide on legal measures which would effectively block the project for years. I would say to Premier Bourassa that this is a very real possibility. The Indian peoples of these areas are not simple people who have recently come out of the woods and who are unaware of the ways of the white man. I could name Chief Diamond of Rupert House and Chief Kanatewat of Fort George as two extremely capable and competent chiefs. If they are at all representative of the calibre of the chiefs of this area, those people will adopt a very energetic and hard position on whatever is being negotiated.

I am confident that with the advice of legal people now assisting them, and their lawyers are among the best in the country, the chiefs will adopt the kind of legal position that will protect their peoples now and in the future. I therefore warn the minister and the authorities in Quebec responsible for this project that the possibility of legal measures holding up operations in the James Bay area in the next year or two are very great. Indeed, this is likely.

Putting aside for the moment legalities and the question of whether legal positions will be adopted, I submit that there is little evidence to show that the kind of enlightened approach that is necessary if the peoples of the area are to be brought into the modern world is being adopted in the circumstances. These new approaches are not evident and they ought to be evident, Mr. Speaker.

For the past few minutes I have dealt with Indian affairs. Now, I wish to touch briefly on other aspects of the project. The Minister of the Environment (Mr. Davis) indicated that environmental impact statements are now being insisted on in connection with major projects in this country and elsewhere in the world. Such environmental impact statements would involve the work of top biologists, laboratory people, forestry people, meteorologists, climatologists, etc. I wonder—I admit that perhaps I did not hear the minister referring to this subject matter and that there may have been a reference to it—whether there is any plan to produce scale models of this entire project, either in some computerized form or physically, in order that we may determine clearly and without doubt that in the long run this project will not adversely affect climate, the ecology of the rivers and James Bay and Hudson Bay in a way that will have far reaching effects on the continent and even, perhaps, on the world.

Another fear I harbour has been stimulated somewhat by a paper I received from a local STOP group—Society to Overcome Pollution—of my riding. This group, under the chairmanship of Mrs. Evelyn Retallack, prepared an excellent study of the James Bay project and was kind enough to let me have a copy of it. While I do not agree with everything in the report, it does contain one subject that no other speaker today has covered. The warning in that particular part of the report warrants further study by the department headed by the Minister of the Environment. Mr. Sylvestre, formerly with the department of lands and forests of Quebec, has warned that in the area south of James Bay there is a potential earthquake and

landslide zone. Montreal, he says, is located on a fault running along the St. Lawrence River. He goes on to point out that the Canadian Underwriters Association now has refused to give automatic earthquake insurance to people in the Montreal area. Man and His World was specifically refused earthquake insurance. Mr. Sylvestre goes on to say:

• (1810)

> The 50,000 square miles to be flooded and the billions of tons of water in new weight this land must bear, presents very strong dangers for the residents of all of North America south of the project.
>
> Oxford geographer Gordon Rattray Taylor in his book "Doomsday Book" deeply explores the correlation between seemingly natural catastrophes and man, the engineer, as earthquake maker. Pressure changes are known to shift the crust of the earth causing earthquakes in the process. Through intensive scientific and technical research, such earthquakes as the one in India in 1967 and the one in Rhodesia in 1963 can be traced to the filling of the reservoirs created by the Koyna Dam in India and the Kariba Dam in Rhodesia. These areas were quite free of shocks before the dams were built. The dam at Monteynard in the French Alps cause a series of tremors culminating in a shock of several points on the Richter scale. The artificial lake of Kremasta in Greece caused earth slides and fractures—480 homes collapsed and 1,200 were seriously damaged.
>
> The possibility that man might be disturbing the earth's crustal forces only dawned on scientists in 1945 when Dr. Carder pointed out what was happening at Boulder Dam, Colorado. There had been no shocks in this area for 15 years before the dam was built. Lake Mead, formed by the dam, began to fill in 1935. The first shock came in 1936. During 1937 more than 100 shocks were felt. When the lake reached its full depth the shocks reached a maximum with further bursts in several years when the lake was particularly full.
>
> In view of this it has been suggested that the disastrous earthquake which hit Iran and Turkey in 1957 and in 1966 were caused by changes in the level of the Caspian Sea. The water level had fallen six feet as a result of the industrialization of the lower Volga Valley.

He goes on to mention the slides in the St. Jean-Vianney area in Quebec. I think the point is fairly made that the addition of this extra weight caused by billions of tons of water on a 50,000-square mile area, an earthquake-prone area, might quite conceivably have a disastrous result. It may well be that as a result of geological and other research it will be determined that the structure along the St. Lawrence River bears no relation to that around James Bay and that land pressures there could not conceivably affect the St. Lawrence valley. But no word of such a finding has come from the minister, and I would suggest that at least this is an essential question for study in connection with our environmental approach to this project.

The Acting Speaker (Mr. Boulanger): Order. I am afraid I must interrupt the hon. member; his time has expired.

Mr. Watson: I wonder if I might have unanimous consent to complete my remarks?

The Acting Speaker (Mr. Boulanger): The hon. member's time in fact expired two minutes ago, but if there is unanimous consent he may proceed.

Some hon. Members: Agreed.

Mr. Watson: A further point which I feel should be mentioned is this: at some stage the Minister of Finance (Mr. Turner) should indicate the effects on the national economy of attempting to handle the James Bay project and the two Mackenzie pipelines for gas and oil, from the point of view of the almost intolerable pressure which will be placed upon the Canadian dollar. Undoubtedly if this were the result, Canadian ability to compete in world trade would be seriously impaired.

Even if there is an assurance forthcoming that in the long run the ecological effects of this project will be minimal, that no serious danger of earthquakes will be involved and that the financing will not throw our economy out of balance, and leaving aside the legal aspects of the Indian peoples' position, we will still be left with the special problem of ensuring that the indigenous peoples of this area receive a decent deal. I am thinking in terms of a deal which will enable them to face the future not only with confidence but with competence, the competence which an adequate system of education could give them and which is not being given them now. An enlightened approach must be forthcoming from the education branch of the federal Department of Indian Affairs, the department of natural resources and the department of education in Quebec.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I congratulate the hon. member for Parry Sound-Muskoka (Mr. Aiken) for using this rule relating to emergency debates intelligently, perhaps for the first time in my memory; and you, Mr. Speaker, for recognizing that fact. Many phony efforts have been made to use this rule and at last the hon. gentleman has come up with an intelligent one. I wish him well.

When this issue came to the fore in February, parliament was not in session but a press release was issued dealing with a joint federal-provincial report on the environmental impact of the project. That report dramatically illustrated the inadequacy of Canadian procedures for handling environmental problems.

I intend to focus my remarks on the final points made by the hon. member for Parry Sound-Muskoka. I think the joint federal-provincial report made it clear that instead of a full evaluation of environmental damage and costs being made at the time the engineering and economic studies were carried out, the report was made after the decision to proceed with the James Bay development had been taken. Thus, it came too late to be of use in evaluating the project.

This is "cart before the horse" decision-making. I think it is the wrong way to go about major developments involving an alteration in the environment. Instead, there should have been studies made of all the factors involved, economic, engineering, social and environmental before proceeding to any decision as to whether construction should begin. Only in this way can a proposal such as the James Bay project be properly evaluated.

I should like to refer to the situation created in connection with the Bennett dam in British Columbia, where costly remedial construction is now being undertaken to rectify the environmental problems ignored when the decision to build the dam was taken. The situation in

James Bay might be compared to the situation which has now arisen in northern British Columbia. I would have thought that the Bennett dam would have been an object lesson on the dangers of this nineteenth century approach, but apparently the lesson has not been learned. What I would like to see instead of our present ramshackle, hit-or-miss procedures is something akin to the United States legislation, the environmental policy act of 1969 which despite its defects would make an excellent model for Canadian legislation. It is the model for a private member's bill of mine which I am sure the hon. member for Parry Sound-Muskoka would be happy to second. I would present it to him with that in mind because I think it is a bi-partisan sort of approach.

• (1820)

What we should have is a systematic, interdisciplinary approach to these major engineering undertakings, one that will ensure that the natural and social sciences, environmental design arts and the planning and decision-making are properly integrated. We need a recommendation or a report on any major undertaking that might significantly affect the quality of the human environment, and a detailed study by the responsible federal or provincial, or joint federal and provincial, authorities should be made.

Such a report should include the environmental impact of proposed action. It should include any adverse environmental effects that cannot be avoided should the proposal be implemented. It should also include alternatives to the proposed action. It should include the relationship between local, short-term use of the environment and area and the maintenance, the enhancement as it were, of what you might call long-term productivity. Finally, it should include a statement on the irreversible and irretrievable commitment of resources that would be involved if the proposed action should be implemented. I realize that this sounds rather technical in form but I think hon. members are quite capable, without further elaboration, of understanding how it could be applied to the James Bay project and how, if such report had been prepared prior to any decision to proceed, we would have been a great deal better off than we are now.

It is my view that once such reports are prepared they should be made public and they should then be subjected to public scrutiny. Unfortunately, this House has not seen fit to re-establish what was an excellent committee of the House, the special committee on environmental pollution, on which the hon. member for Kootenay West (Mr. Harding), the hon. member for Parry Sound-Muskoka as well, I may say modestly, as myself did some excellent work. The House has not seen fit to re-establish that committee, a failure for which I think the government House leader is directly responsible. It is most unfortunate that he has taken this retrogressive step.

It is my view that with such a committee the members of this House would be able to examine projects such as this, report upon them and perhaps come up with a decent assessment of any damage that might be done, along the lines that I have suggested. We do not have any legislation such as the legislation I referred to, which is basically American. Neither, unfortunately and most regrettably, do we have the committee I have just mentioned. Therefore, I feel it is incumbent upon the Minister of the Envi-

ronment in particular to make sure that my private member's bill, which I earlier said would, I am sure, be supported by the hon. member for Parry Sound-Muskoka as well as the hon. member for Kootenay West, lays the foundation for his bringing forward soon some government legislation that will achieve these objectives and permit the making of environmental impact studies such as the one I have suggested, allow the publication of such statements and the holding of public hearings of interested parties who would be able to make their views known.

It is late on a Friday afternoon and I have no wish to prolong the debate. However, I hope that my plea, though it falls on a rather thinly attended House, will not fall on deaf ears and that before long we will have procedures in this House as well as in legislation to allow us better to deal with the sort of problem we are faced with this afternoon.

The Acting Speaker (Mr. Boulanger): Pursuant to Standing Order 26(13), I am satisfied that the debate has been concluded and I therefore declare the motion carried.

At 6.26 p.m. the House adjourned pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 1, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

BUSINESS OF THE HOUSE

TIME OF STATEMENT ON POLICY OF GOVERNMENT RESPECTING FOREIGN INVESTMENT IN CANADA

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, there have been discussions with the House leaders on the other side and we have agreed that the House should revert to motions at 5 p.m. on Tuesday, May 2, for the purpose of hearing a statement from the Minister of National Revenue. I believe that is agreeable to the other parties.

Mr. Speaker: Is that agreed and so ordered by the House?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE ACT

AMENDMENT RESPECTING ACQUISITION OF CUSTOMS DOCUMENTS BY MINISTER AND DEPARTMENTAL OFFICERS

Hon. Allan J. MacEachen (for the Minister of Industry, Trade and Commerce) moved for leave to introduce Bill C-196, to amend the Department of Industry, Trade and Commerce Act.

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

* * *

• (1410)

CRIMINAL CODE

AMENDMENT MAKING INSULT TO CANADIAN OR PROVINCIAL FLAGS AN OFFENCE

Mr. Leonard Hopkins (Renfrew North) moved for leave to introduce Bill C-197, to amend the Criminal Code (Canadian and Provincial Flags).

Some hon. Members: Explain.

Mr. Hopkins: The purpose of this bill, Mr. Speaker, is to make it an offence to insult in any way the Canadian or a provincial flag.

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

AMENDMENT MAKING INSULT TO FLAG OF FOREIGN COUNTRY LAWFULLY REPRESENTED IN CANADA AN OFFENCE

Mr. Leonard Hopkins (Renfrew North) moved for leave to introduce Bill C-198, to amend the Criminal Code (Foreign Flags).

Some hon. Members: Explain.

Mr. Hopkins: Mr. Speaker, the purpose of this bill is to make it an offence to in any way insult the flag of a foreign country lawfully represented in Canada.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

COST OF PROGRAMS "S.O.S. SOLEIL" AND "VIVA MEXICO-VIVA CANADA"

Question No. 175—**Mr. Caouette:**

1. What were the production costs of the programs "S.O.S. Soleil" and "Viva Mexico-Viva Canada"?

2. Were the expenses incurred shared by the Governments of Jamaica and Mexico or were all expenses paid solely by the Government of Canada?

3. If these programs were meant as cultural exchanges, what criteria were meant as cultural exchanges, what criteria were used to determine the representative nature of the Canadian artists involved?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The CBC is not usually required to disclose the cost of a particular program. It should be noted however that the production costs of "Viva Mexico-Viva Canada" and "S.O.S. Soleil", which were shown in the "Beaux Dimanches" series, were well within the average figure for a one and a half hour variety show.

2. No governments were involved. However, it was at the express request of the Mexican and Jamaican boards of tourism and due to the working conditions they offered

that these productions were made. Actually, under these conditions this type of program costs less to produce outside Canada than it would as a studio production.

3. These programs were not part of cultural exchanges. Availability of the performers is the chief criterion in making programs of this kind.

It should be noted that "Viva Mexico-Viva Canada" has just been sold to la Communauté des télévisions francophones, which embraces France, Belgium, Switzerland, Luxembourg and Monaco.

[*English*]

DREE PROGRAMS—BANKRUPTCY SAFEGUARDS

Question No. 227—**Mr. Robinson:**

Are safeguards taken to avoid bankruptcies in the programs of the Department of Regional Economic Expansion and, if so, what are they?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Yes. Incentive assistance is offered to an applicant only if evaluation by trained professional staff indicates that the proposed project is likely to succeed. Conditions laid down in an offer of assistance are designed in part to ensure that the chances of long-term viability are good. No payment in respect of our offer of incentive assistance is made until an audit and an on-site inspection is made to determine that these conditions are being met. Final payment is made only after a final audit to determine that they have been met during the relevant control period following the point in time when commercial production is achieved. Throughout the process, officers of the Department are available to assist the company with advice that may be helpful in overcoming any difficulties being encountered.

GOVERNMENT PUBLICATIONS

Question No. 308—**Mr. Robinson:**

Will the government consider tendering the publication of its books, reports and other publications in order to avoid losses and make a profit on government publications?

Hon. Martin P. O'Connell (Minister of Labour): The government has announced a policy on co-publishing with Canadian publishers. The techniques of implementing the policy are still being developed.

GOVERNMENT PUBLICATIONS

Question No. 309—**Mr. Robinson:**

Has the government considered tendering the publication of its books, reports and other publications in order to maintain a viable Canadian book industry?

Hon. Martin P. O'Connell (Minister of Labour): The government has announced a policy on co-publishing with Canadian publishers. The techniques of implementing the policy are still being developed.

[Mr. Pelletier.]

CANADIAN OBSERVER TO OAS

Question No. 346—**Mr. Robinson:**

1. Who will fill the post of permanent observer to the Organization of American States, when will this individual commence his duties and where will he perform them?

2. What is the estimated annual cost of the Canadian permanent observer mission for the Organization of American States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The Canadian Permanent Observer to the Organization of American States, who will have the rank of Ambassador, will be named in the near future. He will commence his duties as soon as he has been formally accredited to the Organization. He will perform his duties through the offices of the Canadian Permanent Observer Mission which has been established as a channel of communication with the OAS headquarters in Washington.

2. The operating costs of the Permanent Observer Mission for 1972-73 have been estimated at $187,000. In future years, the costs and the size of the Mission will reflect the degree of Canadian interest in the Organization of American States and the inter-American organizations that are affiliated with it.

LOCAL INITIATIVES PROGRAM

Question No. 440—**Mr. Orlikow:**

1. How much of the $50 million for grants to municipalities and their agencies in the program announced by the Minister of Finance in the House on October 14, 1971, has been allocated?

2. What is the allocation, by province, of money under this program?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): 1. The $50 million for grants to municipalities and their agencies in the program announced by the Minister of Finance in the House on October 14, 1971, has been allocated.

2. As of March 14, 1972, the allocation by province under the program was:

	$ Municipal
Newfoundland	3,312,039
Nova Scotia	2,620,640
Prince Edward Island	522,707
New Brunswick	2,576,686
Quebec	24,069,219
Ontario	7,729,497
Manitoba	1,937,847
Saskatchewan	1,409,231
Alberta	3,714,612
Northwest Territories	442,131
British Columbia	4,328,213
Yukon Territory	115,550

DEPARTMENT OF SOLICITOR GENERAL—SECURITY PLANNING AND RESEARCH GROUP

Question No. 475—**Mr. Diefenbaker:**

1. Who are the members of the Special Planning and Research group attached to the Solicitor General's Department?

2. What is the authority or area of responsibility of the said group?

3. In what manner is the choice made of the members of the said group?

4. Who is the head or senior member thereof?

Hon. Jean-Pierre Goyer (Solicitor General): 1. As of April 1, 1972 the staff of the Security Planning and Research Group in the Department of the Solicitor General consisted of the following employees: P. Banning, H. Black, R. Bourne, B. Cantin, L. Cloutier, W. Dabros, R. Gaudet, S. Hoffman, L. Paquette, P. Wallace.

2. As stated in the House of Commons on September 21, 1971, the functions of the Security Planning and Research Group are: (a) to study the nature, origin and causes of subversive and revolutionary action, its objectives and techniques as well as the measures necessary to protect Canadians from internal threats; (b) to compile and analyze information collected on subversive and revolutionary groups and their activities, to estimate the nature and scope of internal threats to Canadians and to plan for measures to counter these threats; (c) to advise the Solicitor General on these matters.

3. By secondment and by Public Service Commission competition.

4. R. Bourne.

FARM CREDIT CORPORATION LOANS

Question No. 482—**Mr. Thomson:**

What percentage of Farm Credit Corporation loans were in arrears in each province in the years 1969, 1970 and 1971?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): The Farm Credit Corporation advises that as of the end of the fiscal years the amount remaining in arrears as a percentage of the amount due during the year was as follows:

	1969-70 per cent	1970-71 per cent	1971-72 per cent
British Columbia	15.5	15.3	14.9
Alberta	19.3	22.0	21.0
Saskatchewan	11.6	18.9	21.1
Manitoba	14.0	22.3	24.7
Ontario	7.8	7.8	7.0
Quebec	3.8	4.1	4.5
New Brunswick	4.9	4.7	6.2
Nova Scotia	10.2	7.9	7.5
Prince Edward Island	11.3	11.6	14.3
Newfoundland	7.8	11.3	13.9

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QUESTIONS PASSED AS ORDERS FOR RETURNS

ABITIBI CONSTITUENCY—LOCAL INITIATIVES PROGRAM

Question No. 256—**Mr. Laprise:**

1. What projects have been approved in the constituency of Abitibi under the Local Initiatives Program and what is the nature of each project?

2. Which projects in the constituency of Abitibi have been rejected and for what specific reason was each one rejected?

Return tabled.

DISC Program and Canadian Economy

RESEARCH STUDIES ON PIPELINE FROM ARCTIC

Question No. 315—**Mr. Robinson:**

1. What research studies on the Arctic does the government support at the present time?

2. Do the research results thus far indicate the feasibility of a pipeline being constructed from the Arctic to the South?

3. To what extent is permafrost still a problem, does the research indicate that it can be overcome and, if so, by what means?

4. To what extent would a pipeline from the North irreparably damage the ecology, terrain and wildlife, according to the research?

Return tabled.

EXPERIMENTAL FARM STATIONS—TENDERS CALLED FOR CHEMICAL FERTILIZERS

Question No. 378—**Mr. Beaudoin:**

1. Have federal Experimental Farm Stations called for tenders for chemical fertilizers since January 1970 and, if so, on how many occasions?

2. For each tender call (a) what are the names and addresses of the companies who submitted tenders (b) what was the amount of each tender (c) who received the contract and for what reasons?

Return tabled.

Mr. Nielsen: Mr. Speaker, on a point of order, I have had question No. 293 on the order paper since March 8. It is a very simple question to the Solicitor General with regard to the establishment of a committee to plan the RCMP centennial and asking for the names and addresses of the members of the committee. The question being that simple, it surely should not take almost two months to obtain the answer.

Mr. Cullen: In view of the fact the hon. member was looking at the Solicitor General rather than the speaker, I think the question will probably be answered soon.

MOTIONS TO ADJOURN UNDER S.O. 26

TRADE

IMPACT OF UNITED STATES DISC PROGRAM ON CANADIAN AUTOMOBILE INDUSTRY AND CANADIAN ECONOMY IN GENERAL

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I ask leave to move under Standing Order 26 that the House do now adjourn for the purpose of discussing a specific and important matter requiring urgent consideration. This matter concerns reports that American automobile and automobile parts manufacturers are using the DISC plan to export motor vehicles and parts into the Canadian market contrary to the Canada-United States auto pact and to the prejudice of the manufacture of these goods in Canada, the failure of the government as the primary source of knowledge and responsibility in the matter to inform the House and public whether these reports are true, and the serious impact on the Canadian automobile industry in particular and the Canadian economy in gen-

eral that must follow if these reports are true. If leave is given, I propose to move the motion, seconded by the hon. member for Kent-Essex (Mr. Danforth).

Mr. Speaker: The Chair has received notice of the proposed motion and at the same time similar notices were received from the hon. member for Oshawa-Whitby and the hon. member for Brant. Perhaps the hon. member for Oshawa-Whitby might be allowed to indicate the nature of his motion, and the Chair could then make a ruling in relation to the three notices of motions of which notice has been received under the terms of Standing Order 26.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the recently revealed threat to our manufacturing industry, especially the automobile sector, by the disclosure that United States corporations, many of them having branch plants in Canada, have been using the tax deferral program of the United States government for many months, which breaches the spirit and the letter of GATT as well as of the Canada-U.S. automotive agreement, and critically endangers our national economy.

Mr. Speaker: As I indicated a moment ago, the Chair has received notices of motions proposed by the hon. member for Lambton-Kent, the hon. member for Oshawa-Whitby, and the hon. member for Brant. Obviously the matter proposed for discussion by hon. members is one of national interest and importance and it is of concern to members of the House as evidenced by the many questions asked last week.

There are many other factors which the Chair has to bear in mind in considering a proposed motion to adjourn the House. The Chair must be conscious of the provisions of Standing Order 26 and of other practices of the House which determine the manner in which certain questions should be brought forward for debate and the time when such debates can take place. With this in mind it should be noted that two of the notices received are, to some extent at least, in the form of a proposed censure of the government.

I refer in particular to the notice received from the hon. member for Lambton-Kent which proposes to discuss "the failure of the government, as the primary source of knowledge and responsibility in the matter, to inform the House and public whether these reports are true." This would indicate that what is sought by the hon. member is a debate on a motion of censure of the government. I suggest to hon. members that the provisions of Standing Order 26 cannot be invoked for this purpose.

Section 5 of Standing Order 26 specifies that Mr. Speaker shall have regard to the probability of the matter being brought before the House within reasonable time by other means. I remind hon. members that since a motion under Standing Order 26 was submitted and granted early Thursday afternoon, a budget presentation has been announced for next week. The House has also been advised earlier today by the President of the Privy Council that the Minister of National Revenue will make a presentation to the House in relation to foreign ownership at five o'clock tomorrow afternoon. I would hope that at least in the case of the budget debate hon. members will have within a reasonable time an opportunity to express views in relation to the matter alluded to in the motions which are now before us. Between now and the close of the current supply period there remain about 40 sitting days. If it is to be assumed that 12 of these days will be used for supply purposes and another six and one-half sittings for the budget debate, it seems to me that ample opportunities will be presented for discussion of matters such as Canada-United States economic relations.

• (1420)

In view of all the circumstances and taking into account the procedural requirements set out in Standing Order 26, the Chair cannot see its way clear to granting these motions at this time.

[Mr. McCutcheon.]

ORAL QUESTION PERIOD

TRADE

UNITED STATES DISC PROGRAM—MEASURES TO OFFSET EFFECTS—DIRECT REPRESENTATIONS BY GOVERNMENT—RESUMPTION OF GENERAL NEGOTIATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. Some eight months ago in reply to a question I put to the Prime Minister on the subject of DISC the Prime Minister said that "when there is an actual threat we will come forward with an actual measure." Now that there is a threat, and has been for some three months, I would like to ask the Acting Prime Minister what actual measure the government proposes to take?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the Minister of Industry, Trade and Commerce said on Friday, the government is now hoping to have discussions with the automobile companies to find out whether there is a threat and the nature of it. He then said he would hope to participate in the budget debate and give at that time an account of the government's views. He may at that time, of course, indicate what further measures the government may feel are necessary.

Mr. Stanfield: Mr. Speaker, I gather we are going to have continued assessment rather than measures. I would like to ask the Acting Prime Minister this question. Now that Mr. Connally seems to have made an end run around the position taken by the government of Canada, does the Prime Minister or a minister of this government propose to take up directly with the United States the application of DISC, particularly as it affects Canada—not notes but direct contact?

Mr. Sharp: Mr. Speaker, there have been many direct contacts on this subject. I have raised the matter myself on a number of occasions with my United States counter-

part, and I know that the Minister of Industry, Trade and Commerce has done so with his counterpart in the United States administration. In addition to the notes, which I am sure the Leader of the Opposition agrees are essential first steps, we have had many personal contacts with the United States administration. Unfortunately we were not able to persuade them not to proceed with the DISC legislation, and unfortunately some companies are now taking advantage of it. But we are not at all sure yet—and I think it would be desirable to look before we leap in a matter of this kind—as to the actual effects it will have upon the Canadian economy.

Mr. Stanfield: Mr. Speaker, I hope the government will soon learn to be able to distinguish between negligence and prudence.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): That is as good as some of the sayings of the Prime Minister.

Mr. Stanfield: I would like to ask the Acting Prime Minister whether any approach has been made or is under way to resume the discussions with the United States administration regarding the differences that exist between the two countries? Is it just a matter of each side continuing to review its position in an academic way, or now that we are faced with this disaster is the government seeking to reopen the discussions in a meaningful way?

Mr. Sharp: Mr. Speaker, the position remains as the Prime Minister expressed it, namely, that each side is reviewing its position. We have not yet resumed negotiations. I do think it is very desirable that we should protect our own position in these matters and that we should not assume, as the Leader of the Opposition does when he throws words around, disaster on the one hand or that we have not anything to be concerned about on the other hand. As far as the government is concerned, we are trying to show reasonable prudence and we are not going to be pushed, as the hon. gentleman would apparently like to see, into a war with the United States on the economic front.

Mr. Muir: Where is that fantastic breakthrough?

UNITED STATES DISC PROGRAM—EFFECT ON AUTO PACT WITH CANADA AND ON GATT—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. In view of the fact that President Nixon during his recent address in this chamber asserted that he desired "a pattern of economic interaction which is beneficial to both countries", does the government consider that the recent revelation that many United States corporations with subsidiaries in Canada are using DISCS in contravention of both the auto pact and GATT to be an example of what the President was talking about or does the government consider such action a breach of trust?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we have asserted and we continue to assert that the DISC proposals are contrary to the international undertakings of the United States not only toward Canada but toward the world in general.

Mr. Broadbent: Thank you for that very clear and positive answer. As the United States DISC legislation violates the preamble and Article I, Section (b), of the Canada-U.S. automotive agreement and will shift production away from Canada to the United States, does the government consider that the United States will be able to achieve by DISC the changes in automotive trade that they desire without having to alter in the slightest detail the actual wording of the Canada-U.S. auto agreement?

Mr. Speaker: Order, please. I have some serious doubts as to the form of the question. The hon. member is really asking the minister to express an opinion on behalf of the government. Perhaps the question might be rephrased by the hon. member for Oshawa-Whitby; otherwise I will recognize the hon. member for Prince Edward-Hastings.

Mr. Broadbent: I will reword it, Mr. Speaker. In view of the fact that the action by the auto companies in setting up DISCS and trading on that basis clearly contravenes the auto pact, does the government intend to take action other than writing formal notes of protest to the United States and similar action which the Acting Prime Minister has told the House has already been carried out without effect, or does the government intend to take some other steps to stop this complete undermining of the auto pact?

Mr. Sharp: Mr. Speaker, I can assure the hon. member that if it is found necessary to take countervailing action against the DISC we will do so, but I am sure the hon. gentleman would agree that if the predictions that have been made on the basis of the very successful operation of the automobile agreement to date prove to be true and that we continue to benefit very substantially and to see our exports to the United States continue to rise, then I think it would be very doubtful whether we should take action of that kind.

UNITED STATES DISC PROGRAM—EFFECTS ON EMPLOYMENT IN CANADIAN AUTOMOBILE INDUSTRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. When does the government expect that the use which the American automobile companies are now making of the DISC program will begin to affect employment in the Canadian automobile industry adversely?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the answer to that is never.

[*Later:*]

Mr. Hees: Mr. Speaker, I have a supplementary to my first question to the Acting Prime Minister, arising from the answer he gave. Is it the belief of the government that the use of the DISC program by American automotive companies will not in any way shift employment in that industry from Canada to the United States?

Mr. Sharp: Mr. Speaker, so far we have no evidence that it will do so.

Some hon. Members: Oh, oh!

Mr. Sharp: That is the purpose of the inquiries that are now going on. If it were to be shown that the DISC program, to which we have expressed our very strong opposition both in GATT and to the United States government, were nevertheless to have the effect that the hon. gentleman has suggested, the Canadian government would not hesitate to take the necessary measures.

POSSIBLE DELETION OF REFERENCE TO CANADA-UNITED STATES AUTO PACT IN SPEECH BY PRESIDENT NIXON TO MEMBERS OF HOUSE AND SENATE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, mention was made of the speech given by the President of the United States in this chamber. In view of the fact Mr. Peter Desbarats has stated that there were indications that the President's speech was written in part by Mr. Ivan Head, one of the principal script writers for the Prime Minister, could the minister tell the House whether the question of the automobile agreement was to be included in the President's speech but was removed at the request of Mr. Head?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think that is about as improbable as that speeches by the Leader of the Opposition would have been written by President Kennedy.

Mr. Diefenbaker: Mr. Head is writing poetry in prose.

POSSIBILITY OF USE OF DISC MAKING GENERAL NEGOTIATIONS MORE DIFFICULT

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct a supplementary question to the Acting Prime Minister concerning the Prime Minister's statement to the House a little while ago. When questioned about the progress of the Canada-U.S. auto agreement the Prime Minister indicated that both sides were reviewing their packages. May I therefore ask the Acting Prime Minister whether the recent discovery by the government that the auto companies have made applications under DISC and seem to have contravened some understanding will in fact make negotiations concerning these packages more difficult?

• (1430)

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not see how it can help to make them any easier.

UNITED STATES DISC PROGRAM—INTENTIONS OF CANADIAN AUTOMOBILE COMPANIES—REQUEST FOR STATEMENT

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister on the same subject. As the government has announced its intention to canvass Canadian subsidiaries of American automobile companies in order to ascertain their intentions, will the Acting Prime Minister indicate to the House whether a statement to the House on this subject will be made at an early date since many contracts for 1973 production models are already being allocated?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I cannot add to what the Minister of Industry, Trade and Commerce said on Friday. He will be in the House tomorrow and questions of this kind can be put to him directly and with greater satisfaction.

UNITED STATES DISC PROGRAM—REVEALING OF NAMES OF AMERICAN COMPANIES MAKING USE THEREOF

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister. Since it was revealed last Friday that United States firms participating in the DISC program are entitled to secrecy under United States rules concerning that program, is the government considering any representations or any particular technique as a result of which those United States firms operating under the DISC program and exporting goods to Canada might be revealed to Canadian importers?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I cannot answer that question directly. Certainly one of the very serious problems that arises in taking any sort of action against companies that are taking advantage of DISC is that we must know whether or not they are.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Fraser Valley West on a last supplementary and then the hon. member for Annapolis Valley.

Mr. Rose: Inasmuch as the minister indicated a moment ago that it is very difficult to ascertain the number of jobs lost to Canadians as a result of the DISC program, does the minister not think that the companies exporting to Canada should be required to reverse any DISC participation so that our government can make a basic assessment of the number of Canadian jobs lost?

Mr. Speaker: Order, please. I suggest that the hon. member's supplementary is an argument.

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CANADIAN BROADCASTING CORPORATION

DISPUTE WITH NABET—REQUEST FOR STATEMENT ON NEGOTIATIONS IN LIGHT OF PRESIDENT'S RESIGNATION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Secretary of State. In view of the announced resignation of the president of the CBC, would the minister make a report on current labour difficulties within the corporation and say whether the resignation is in any way related to those difficulties?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): There is no relation whatever between the resignation of the CBC president and the labour management difficulties experienced by that corporation.

As for a report to the House regarding the state of negotiations, I think such a request should be directed to the Minister of Labour.

[*English*]

Mr. Nowlan: Can the minister tell us the effective date of the resignation? In the search for a successor, will the minister assure the House, and thereby relieve the minds of Canadians from coast to coast, that the Pickersgillian precedent will not be followed and that no Secretary of State, past or present, will be selected for this post?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. That, of course, is a representation rather than a question.

Mr. Bell: We want Judy.

Mr. Speaker: Order, please.

Mr. Nowlan: Mr. Speaker, I agree that the last part of the question was a representation, but the first half of the question concerning the effective date of the resignation is relevant, especially in view of the state of negotiations within the CBC and for the state of this parliament.

Mr. Speaker: I agree that the first part of the question is in order. Perhaps the minister might like to reply to that part of the hon. gentleman's question.

[*Translation*]

Mr. Pelletier: August 1, Mr. Speaker.

[*English*]

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, my supplementary question is for the Secretary of State. What steps does the minister intend to take on behalf of the House and the Canadian people to convey the nation's general feeling of profound thankfulness to the CBC now that the CBC television series, "Jalna" has finally ground to a halt?

Some hon. Members: Hear, hear!

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED EXTENSION OF DEADLINE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Notice of it has been given. Will the deadline for LIP forgiveness eligibility be extended? If so, to what date?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for his usual courtesy in giving me notice. In reviewing the LIP program, both private and municipal projects, it seems obvious that certain projects should be extended beyond May 31 because of circumstances beyond their control such as lack of material, slow processing, and so on. Therefore it is anticipated that certain projects, without need of extra funds, will be extended until the middle of June.

* * *

YOUTH

MEASURES TO ASSIST NON-STUDENTS AND UNIVERSITY GRADUATES TO FIND JOBS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I direct a supplementary question to the Minister of Manpower and Immigration. In view of the heavy emphasis on students in the government's job employment programs, can the minister say whether the government has any measures available for non-student young people who are having difficulty finding jobs?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I think the success of the Opportunities for Youth program last summer is an indication that the program will meet with even greater success this year. This will go a long way to alleviating that particular type of problem.

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

Mr. Speaker: Order, please. We have moved from one subject to another. I cannot accept that the hon. member's supplementary was actually a supplementary to the previous question. I will return to the hon. member in a short while, and also recognize the hon. member for St. John's East.

Mr. Nystrom: On a point of order, Mr. Speaker, I specifically asked about non-student young people and the Minister of Manpower and Immigration thought I was referring to students. Perhaps he would answer the question.

Mr. Speaker: Order, please. The hon. member will be recognized and the minister also for that purpose in a few moments.

[*Later:*]

Mr. Nystrom: Mr. Speaker, my question is to the Minister of Manpower and Immigration. In view of the heavy emphasis in summer employment programs on the employment of students, can the minister say whether there are any programs in the mill for the employment of non-student young people? I ask this because they are having difficulty finding jobs.

Mr. Mackasey: Mr. Speaker, I apologize for having misunderstood the original question. The obvious assistance that will be given to non-students is through the anticipated reduction in unemployment figures from now on through the summer months as employment in secondary manufacturing improves. There is no particular program comtemplated at the present time.

Mr. Nystrom: A further supplementary question, Mr. Speaker. Since graduates are now finding difficulty obtaining permanent jobs, can the minister say whether he has any programs in mind to help university graduates find permanent jobs?

Inquiries of the Ministry

Mr. Mackasey: Mr. Speaker, many of these graduates are finding employment at a considerably faster rate now, than they were at this time last year.

* * *

INCOME TAX

SUGGESTED INCREASE IN EXEMPTION FOR RETIRED PERSONS OR GRANTING OF TAX CREDITS IN BUDGET

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the many urgent appeals being received from senior citizens for the alleviation of their situation, is the minister giving consideration either to increasing the income tax exemption levels for retired persons or granting tax credits in the budget he will be bringing down next Monday evening.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have noted the hon. member's representation.

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HISTORIC SITES

NATURE OF INSCRIPTION ON NEW PLAQUE AT BONANZA CREEK

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Has the minister rewritten the history of the gold rush on the Klondike, and is this new interpretation of the history to be placed on a new plaque substituted for the original plaque at the discovery site on Bonanza Creek?

Mr. Speaker: Order, please. I really think that question ought to be put on the order paper. If there is extreme urgency about this obviously important matter, it can be considered at the time of adjournment.

Mr. Dinsdale: On a point of order, Mr. Speaker, this is another example of the government downgrading western traditions.

Some hon. Members: Oh, oh!

Mr. Dinsdale: I think it is a matter of great urgency.

Mr. Speaker: Order, please.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—SUGGESTED PROVISION OF ADDITIONAL FUNDS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a question to the Secretary of State. In view of the many excellent projects under the Opportunities for Youth program which have had to be rejected because of budget limitations, is the government giving consideration to providing additional funds for the Opportunities for Youth program?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Yes, Mr. Speaker, but no decision has been made yet.

* * *

[*English*]

INDIAN AFFAIRS

SUGGESTED ASSISTANCE TO CO-OPERATIVE, PRINCE RUPERT, TO ESTABLISH FISH PROCESSING PLANT

Mr. Frank Howard (Skeena): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Will he or somebody in the government take a second look at the proposal of the Pacific North Coast Indian Co-operative in Prince Rupert for the establishment of a fish processing plant there and announce whether government assistance will be provided to that co-operative?

• (1440)

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are now considering the situation of the Indian fishermen on the northwestern coast of British Columbia. As for a concrete proposal, I must talk with the Minister of the Environment before a decision is made.

[*English*]

Mr. Howard (Skeena): I wish to ask the minister whether the fact that the government recently made a grant of $700,000 for the establishment of a fish processing plant in Hay River is an indication that it is going to have a change of heart with regard to the Prince Rupert proposal?

Mr. Speaker: Order, please. That question is not in order.

DISCUSSION OF TREATY RIGHTS BY MINISTER WITH NORTHWEST TERRITORIES NATIVES IN LIGHT OF MACKENZIE HIGHWAY PROJECT

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development related to the announcement by the Prime Minister in Edmonton of what he called the new Mackenzie highway on which construction commenced last year, as the minister will recall. Now that the highway is under construction and in view of the reports that have been made to the minister by the Indian people of the Northwest Territories Indian Brotherhood and the National Brotherhood, is it the minister's intention to sit down now and have talks with regard to the treaty rights of these Indian people?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have already met with the Northwest Territories Indians, and I have told them that I was prepared to talk with them about a

solution to problems concerning treaties 8 and 11. I have also invited them, as an alternative, to meet with the Commissioner of Indian claims.

As regards the Mackenzie highway which will be extended from Fort Simpson to Inuvik, of course, this is a request which has been put to me several times in every Indian village along the Mackenzie river.

[*English*]

Mr. Nielsen: In view of the statement by the minister that he has already had talks with the Indian people, can he inform the House whether negotiations are now going on between his department and the brotherhood with regard to their land rights and whether it is the government's intention to withhold further construction until these negotiations are concluded?

[*Translation*]

Mr. Chrétien: Mr. Speaker, no negotiations are going on at the present time. I made some proposals to the Indians of that area and it seems they are not quite prepared yet to discuss the settlement of problems relating to these two treaties. Now, as far as the highway construction is concerned, it is obvious that far from jeopardizing the solution to the Indians' problem in that area, these works will help the Indians by bringing an end to their isolation.

[*English*]

Mr. Mac T. McCutcheon (Lambton-Kent): May I direct a supplementary question to the Acting Prime Minister. As the Prime Minister is not in the House today, is it possible that he is working on the new John George Diefenbaker highway to Tuktoyaktuk?

Mr. Speaker: Order, please. I hope the supplementary of the hon. member for Red Deer is not supplementary to that of the hon. member for Lambton-Kent.

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NORTHERN AFFAIRS

PROPOSED MACKENZIE VALLEY PIPELINE—RELATIONSHIP TO HIGHWAY PROJECT

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is related to the questions asked by the hon. member for Yukon of the Minister of Indian Affairs and Northern Development. In view of the statement in the House the other day by the Minister of Energy, Mines and Resources that the National Energy Board would not entertain applications for a pipeline down the Mackenzie Valley until this season's feasibility studies have been completed, and in view of the fact the Prime Minister in his statement said he intended to collect part of the cost from the oil companies, will the minister inform the House whether there is any correlation between these two aspects of the Mackenzie highway project at this stage?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, it is quite obvious that if a road is built along the Mackenzie River and if the government some day allows some companies to build any pipelines in that area, it would only be normal and fair to try to recover the road construction costs from the companies that will build the said pipelines. There is nothing contradictory in that position.

[*English*]

PROPOSED MACKENZIE VALLEY PIPELINE—FEASIBILITY OF CONSTRUCTION

Mr. R. N. Thompson (Red Deer): A supplementary question. The whole point in my previous question had to do with the feasibility of pipelines down the Mackenzie Valley. Does this mean the construction of pipelines is feasible and the reports are in the minister's hands?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, it has been recognized that it was possible to build a road from Fort Simpson to Inuvik, which would help put an end to the isolation experienced by the Indians of this area.

[*English*]

[*Later:*]

Mr. Thompson: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Red Deer has a point of order and he will be recognized for that purpose, but we should try to proceed in an orderly fashion and get on with the question period.

Mr. Thompson: Mr. Speaker, my point of order is that I asked about the feasibility of a pipeline down the Mackenzie Valley and I received an answer about Indians. My question is whether there is a feasibility report that states that a pipeline can be constructed.

Mr. Chrétien: Mr. Speaker, this question at this time is quite hypothetical and premature. We hav not yet started negotiating with the companies concerned nor have we decided whether a pipeline will be built or not, but we certainly hope that one will be built.

[*English*]

Perhaps I might speak in English to help the hon. member. We have not made a decision about a pipeline. We made a decision about a road. That road will help to end the isolation of the Indians living along the Mackenzie.

MACKENZIE VALLEY HIGHWAY PROJECT—PERCENTAGE OF COST TO BE MET BY OIL COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Minister of Indian Affairs and Northern Development or the Acting Prime Minister. In view of the Prime Minister's statement at Edson, Alberta, to the effect that the pipeline companies would be the primary beneficiary of this highway and in view of his statement that: "the government intends to recover some of the highway construction costs from the pipeline companies", what percentage of the cost, which the Prime Minister said would be between $70 million and $100 million, will be met by the pipeline com-

panies and how does the government intend to recover these costs?

[*Later:*]

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I stated—

[*English*]

Mr. Douglas: I have a supplementary question, Mr. Speaker. Since the government, according to the minister, has made a decision about a road and the Prime Minister has announced that the pipeline companies are going to cover part of the cost of this highway, I want to ask the minister whether the Prime Minister made this statement without any agreement from the pipeline companies that they will contribute to the cost of the road and without the government having any idea how it proposes to recover these costs?

Mr. Chrétien: It is very simple, Mr. Speaker. When the companies come to see the government to obtain permission to build a pipeline, it will be at that time we will ask them to pay some of the cost of the road.

Some hon. Members: Oh, oh!

Mr. Bell: There go the Edmonton votes.

Mr. Hees: There goes a three-day trip down the drain. Big brother will be awful mad when he gets back.

Mr. Speaker: Order, please. The hon. member for Davenport.

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AIR TRANSPORT

AGREEMENT ON EXTENSION OF SERVICE BETWEEN CANADA AND ITALY

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Secretary of State for External Affairs. Can the minister say whether agreement was reached last week to extend air services between Canada and Italy?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. Negotiations were concluded.

Some hon. Members: Oh, oh!

Mr. Sharp: This may not be a matter of importance to the members of the opposition but I know how important it is to my hon. friend and it is also important for Canada.

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, there were negotiations last week and an agreement has been reached ad referendum to the two governments for the extension of air services between Canada and Italy, including direct service from Toronto, and at the other end of the line we will receive extensive benefits in Milan and beyond.

Some hon. Members: Hear, hear!

NEGOTIATIONS BETWEEN CANADA AND PEOPLE'S REPUBLIC OF CHINA

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I can direct a supplementary question to the Acting Prime Minister about a much more important and valuable air route.

Some hon. Members: Shame!

• (1450)

Mr. Howard (Skeena): Perhaps I might rephrase that, Mr. Speaker. May I ask the Acting Prime Minister whether he has any information to give to the House about a much more valuable and important exchange of air routes, namely, between Canada and the People's Republic of China, which seems to be a high priority question?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is considered important by the Italian community in Toronto that there should be direct service between Italy and Toronto.

Some hon. Members: Hear, hear!

Mr. Sharp: May I also reassure the hon. member on the other question that negotiations between Canada and China are now proceeding and that progress is being made.

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GRAIN

REQUEST FROM GRAIN EXCHANGE FOR APPOINTMENT OF GOVERNMENT SUPERVISOR OF FUTURES TRADING

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the minister responsible for the Canadian Wheat Board. Has the government received a request from the Winnipeg Grain Exchange to appoint a government overseer to supervise trading in grain futures, and is it the intention to do so?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, there have been some discussions concerning the question of futures and the control of futures. For most of the proposals legislation would be required, and further consideration is being given to the question.

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FLOODS

CARROT RIVER, SASKATCHEWAN—REPORT ON EXTENT—REQUEST FOR ASSISTANCE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. Has he yet received a report on the extent of the flooding of the Carrot River, and has there been any request for federal assistance?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker. We have had some preliminary information

given to us but we have not had an extensive report on the damage and there has been no request for any assistance.

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CONSUMER AFFAIRS

CLOTHING—MANDATORY CARE LABELLING BY MANUFACTURERS AND DISTRIBUTORS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, coming up from pipelines to people I have a question for the Minister of Consumer and Corporate Affairs. In view of the fact the United States Federal Trade Commission is now requiring care labels to be sewn into clothing which consumers purchase, and in view of the further fact that the Consumers Association of Canada tried in vain to get such legislation in Canada last session, has the government now decided that, where manufacturers and distributors are concerned, mandatory care labelling is more effective than moral suasion?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will take the hon. member's representation into account and give it full consideration.

Mrs. MacInnis: May I ask the minister when we may expect legislation to make care labelling mandatory?

Mr. Andras: Mr. Speaker, the packaging and labelling act regulations are due to be promulgated in the near future and our commitment is that we will consult with all concerned before promulgation.

SUGGESTED COMMITTEE EXAMINATION OF PACKAGING AND LABELLING REGULATIONS BEFORE PROMULGATION

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the importance of these regulations and the fact that the act was passed about a year and a half ago, would the minister indicate whether there will be an opportunity for a committee of the House to examine the regulations, which are going to be very important to the implementation of the act, before they actually become law and are operative?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): I will give that consideration too, Mr. Speaker.

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TRADE

UNITED STATES DISC PROGRAM—REQUEST FOR INFORMATION ON IMPACT ON CANADIAN EXPORTS TO OTHER COUNTRIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. During the throne speech debate he said that his senior officials were making a detailed examination, with the assistance of knowledgeable people in the business community, of the likely impact of DISC on our exports to

third markets. May I ask the minister whether he can tell the House if he has learned anything?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, in view of the commitment of my colleague the Minister of Industry, Trade and Commerce, I will leave him to deal with the question during the budget debate, as he said he would.

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FINANCE

PAYMENT OF INTEREST TO CLAIMANTS OF DORMANT BANK ACCOUNTS NOW WITH BANK OF CANADA

Hon. John N. Turner (Minister of Finance): Mr. Speaker, while I am on my feet, I gave an undertaking to the hon. member for Assiniboia—

Mr. Speaker: Order. I gather that the minister has responded to the question asked by the Leader of the Opposition. I also understand that he wants to be recognized on another matter, and he is now being recognized for that purpose.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I undertook to give the hon. member for Assiniboia an answer to the question that he put to me on April 27.

Accounts dormant in chartered banks and Quebec savings banks for nine years are published by the Department of Finance in the Canada Gazette. The most recent list was published in a supplement to the Gazette dated April 15 and the accounts totalled in excess of $1.4 million.

Accounts dormant for ten years are transferred to the Bank of Canada at the end of ten years as unclaimed balances. Those transferred to the Bank of Canada which bore interest on the books of the banks continue to bear interest for a period of 20 more years, as provided for in section 94(3) of the Bank Act and section 82(3) of the Quebec Savings Banks Act, at the rate of 1½ per cent per annum simple interest.

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NATIONAL SECURITY

ACTIVITIES OF SPECIAL PLANNING AND RESEARCH GROUP—INQUIRY AS TO REPORT ON POSSIBLE FURTHER FLQ DISTURBANCE IN FALL OF 1971

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Solicitor General. It arises out of the long overdue answer given today to the question I asked regarding the special planning and research group attached to the Solicitor General's department. Can he say how often this group meets and whether it makes reports to him from time to time concerning threats to the internal security of this country?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I assume that, being good civil servants, they meet from nine o'clock in the morning until five o'clock in the afternoon, that they do their job according to their terms

of reference as approved by the Treasury Board. Also, being good civil servants, once their assgnment has been duly completed, they report to the deputy minister who, in turn, reports to the minister. I do not find anything strange or mysterious about that.

[*English*]

Mr. Diefenbaker: Mr. Speaker, I did not say there was anything unusual; I asked for information. I now ask the minister whether it was from this group that he secured information, as a result of what happened in this group and the information that it gave him, to the effect that an even more serious outbreak by the FLQ and associates would have taken place last fall?

[*Translation*]

Mr. Goyer: Mr. Speaker, as I have indicated, if the right hon. member really had such great respect for the House, he would also extend it to the parliamentary committees. I answered that question fully before the parliamentary committee when estimates of my department were being studied a few days ago; if the right hon. member will refer to the minutes of proceedings published by the secretariat of the parliamentary committees, he will find plenty of material to satisfy his wish for information.

[*English*]

Mr. Diefenbaker: Mr. Speaker, I ask the minister where the cock and bull story he gave the people of Canada came from that Canada was in a more serious position last fall so far as a potential revolution was concerned than it had been in 1970?

* * *

PUBLIC WORKS

RECONSIDERATION OF PROPOSED NORTHUMBERLAND CAUSEWAY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct my question to the Minister of Public Works. Noting the promising largesse of the Prime Minister these days, can the minister advise whether the government is now giving consideration to reviewing its repudiation of its commitment to build the Northumberland causeway?

Hon. Jean-Eudes Dubé (Minister of Public Works): Mr. Speaker, this project, like many others, is always under review.

Some hon. Members: Oh, oh!

Mr. Dubé: However, at the present time the people of that island province are appreciating and enjoying what has replaced that project, namely, considerable federal assistance under the department of my colleague the Minister of Regional Economic Expansion.

Mr. Macquarrie: May I ask the minister whether he is indicating that the government of Prince Edward Island has accepted the development plan as a replacement for the promised causeway?

[Mr. Goyer.]

Mr. Dubé: No, Mr. Speaker. Good governments are always trying to get more projects approved, but I think the people of the island are enjoying that program.

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. In regard to the continued interest of the government of Prince Edward Island in this project and the recent proposals in regard to which they have contacted the department, can the minister report whether any assistance has been given the government of Prince Edward Island to further the possible implementation of this project?

• (1500)

Mr. Dubé: Not lately by my department, Mr. Speaker.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. André Ouellet (Papineau): Mr. Speaker, my question is of national interest and I appreciate the fact that the Chair has at last recognized me.

I should like to ask the Solicitor General whether he would ask the RCMP to make an inquiry into the mysterious disappearance of the Social Credit party: not one of its members is in the House today.

[*English*]

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): There is one right in front of you.

* * *

INFORMATION CANADA

SIGNIFICANCE OF DEPARTURE OF JEAN-LOUIS GAGNON

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State and concerns the disappearance of one Jean-Louis Gagnon. In view of the fact he is leaving the country for a very sensitive post in Paris with UNESCO, and in view of the fact there has been no announcement of his replacement, does this mean that Information Canada is being closed up?

Mr. Speaker: Order, please. I have serious doubts as to the form of that question. Before calling orders of the day the Chair will recognize the hon. member for Selkirk.

* * *

POLLUTION

DATE OF PUBLICATION OF REGULATIONS UNDER NORTHERN INLAND WATERS ACT

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. It is of some urgency in light of recent oil finds in

the Arctic. Can the minister tell the House when it is expected that the drafting of regulations to make the Northern Inland Waters Act an effective piece of legislation will be completed since they were promised for 1971?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Unless I am mistaken, Mr. Speaker, the regulations have been drafted and published, but I shall look into the matter and advise the hon. member accordingly.

[*English*]

GOVERNMENT ORDERS

CRIMINAL LAW AMENDMENT ACT, 1972

AMENDMENTS TO CRIMINAL CODE, CRIMINAL RECORDS ACT, NATIONAL DEFENCE ACT, PAROLE ACT AND VISITING FORCES ACT

The House resumed, from Friday, April 28, consideration of the motion of Mr. Lang that Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1971 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, it is very difficult to continue a debate on a serious matter such as this with the hubbub that usually accompanies the completion of the question period. This problem is not unique to a particular member, since it occurs every day. Probably if I am departing from the Chamber at this time I am as responsible as any other hon. member for some of the noise. I do note, however, that frequently I am, by merely getting to my feet, able to effectively clear the House in short order. I see I have accomplished that today.

I think the Chair will recognize that it is very difficult to take up a continuing story and tie it in with the beginning of the remarks I made just before one o'clock last Friday. For the benefit of those who tuned in late, I feel I should summarize some of those remarks. This is necessary to get people more or less up to date on the remarks I made earlier and to put things into proper context.

• (1510)

On Friday last, following the remarks of the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Oxford (Mr. Nesbitt), I made some remarks in opposition and in contradiction to their position regarding the retention of the lash. I support that part of the legislation which removes corporal punishment from the Criminal Code. Following the same philosophy, I also oppose the use of the thumbscrew and the rack, on the grounds that indulgence in this kind of brutalization in our institutions does not do a great deal for our attempt to move

toward a more civilized reaction to the kind of transgressions which formerly brought about such violence.

I hasten to add that I appreciate and share the repugnance of many people when they learn through the news media of some particular brutal type of crime, such as gang rape, which results in the destruction of the lives of many innocent people. I am not convinced there would be fewer of these crimes if we resorted to more extreme forms of physical punishment. If I were convinced of the deterrent effect, I might take a different view. I recall from my history lessons that once upon a time people were hanged for stealing a loaf of bread, but that kind of punishment has now been abandoned, perhaps on the ground that it did not prevent thievery. I support the motion to change our Criminal Code in respect of what has been traditional in what we called our prison system and which we now refer to as our corrective or rehabilitative institutions.

I appreciate there have been certain views circulated in respect of prison guards and policemen regarding the five-year ban on capital punishment and that there has been a loophole clause which would allow the extreme form of punishment to be applied to capital crimes against police officers, prison guards and officials. I share the concern of the guards and the police officers about the fact that there is no ultimate penalty so they have no protection, or at least less protection than they might have otherwise. There are many arguments pro and con on this matter, but I do not think anyone knows for sure which are right. I would prefer to find myself on the side which suggests that capital punishment is really no deterrent to murder, and that capital crimes would be no less prevalent as a result of a return to capital punishment.

I admit that if I were a policeman and in the position in which three police officers found themselves in the bush near Moncton not more than three weeks ago when they were sent out to arrest an armed man who was suspected of escaping custody, and having been shot at twice from very close range with a shotgun, I would feel perhaps a little bit less responsible about the way in which I apprehended that particular suspect. I can appreciate their feelings, and if I were in that position I think I should be moved to take no chances. I will say nothing else about that matter.

I reiterate and re-emphasize my feeling that a lot of the people who are putting forward the suggestion that we adopt a more repressive kind of punishment for certain individuals are not looking for justice but rather for vengeance. Our courts and our thoughtful social institution personnel should not be concerned with this kind of vengeance. I do not believe that the brutality of corporal punishment in our institutions will have a civilizing effect or will even be a deterrent to these particular wrongdoers, whether they have been convicted of rape or murder. These crimes, for the most part, are not premeditated but are crimes of passion.

I suggested there were three oversights in these amendments to the Criminal Code, and I went into them in some detail. I was disappointed that, although the Prime Minister (Mr. Trudeau) met with representatives at the provincial conference regarding the enshrining of the concept of the right to counsel in our constitution, this amending bill

is silent on that subject. I do not think I need say more about that. The fact that it is, I think, speaks for itself. I hope the minister will be moved, when he is considering further amendments to the Criminal Code, to look after this oversight and see that the right to counsel is entrenched, not only in the constitution if we ever ultimately accept one for Canada, but also in the Criminal Code. Many people are being denied their civil rights because they cannot afford counsel to represent them adequately in the courts. If they cannot have this kind of support there will be many occasions on which justice really is not done.

I could go into a long, detailed discussion about my particular views concerning the right to that kind of a voice that is denied people on the ground of their economic situation. I think this is a familiar subject to most people. After all, we have had the Company of Young Canadians, and various other federal programs designed to give a voice to the voiceless. In my opinion, one of the best ways to give a voice to the voiceless is through a public defender system which would provide legal aid, which in most cases now amounts to charity, and would provide a right to counsel before the courts for people who are accused of breaking the laws of our country.

A second subject on which I should like to speak today, and upon which this particular bill is silent is amendments to the habitual criminal section which I believe is section 660 of the Criminal Code. I had hoped that because of representations, I believe by sincere and responsible members of all parties, changes in this section would have been contemplated by the minister. Perhaps the minister is at the moment contemplating a review of this particular section 660 which relates to the habitual criminal, or as it is more commonly known in the correction institutions, the "bitch" section. The reason I make this particular representation is that from time to time I have received letters from various inmates of federal institutions and have also visited those institutions. However, since I refuse to ask the Solicitor General (Mr. Goyer) for permission to enter a federal institution, I have not darkened the doors of one lately. Anyway, we are still allowed to receive mail from these institutions. This habitual criminal section has been used primarily by only two provinces, British Columbia and Ontario.

The first complaint about this particular section is that a great number of petty criminals, nuisance criminals if you like, are faced with indeterminate or indefinite sentences. There would seem to be an attempt to prescribe an indefinite sentence rather than have the punishment tailored to the crime or have the rehabilitation, if you are looking at the prison system from that point of view, fit the individual. I am afraid it has not worked out in that way in all cases. I am sure it has in a number of cases. A number of people who are serving indeterminate sentences are doing so because they have been convicted of minor, petty or nuisance crimes. I am not saying this is applied exclusively to these people, but there are certainly a great number of them. The result is that those people who have been found guilty of much more serious crimes to person and property have an opportunity which is denied one on a shorter sentence. They are able to enjoy the kind of parole opportunities and temporary absence opportunities which are accorded to prisoners. I believe this is a source of serious irritation or hostility among those people who have been convicted of less serious crimes to person and property. Right alongside them, they often find persons convicted of a serious crime who have been subject to a more equitable and more enlightened parole system, as well as temporary absence opportunities. That is the basic criticism. I understand the Parliamentary Secretary to the Solicitor General (Mr. Hogarth) has made representations on the same subject as a result of his visits. I am not sure his representations would parallel mine and I am aware that he is certainly capable of making a submission on his own behalf. I mention this fact, however, to indicate that there is an expression of concern which extends beyond the voice of one particular member.

There is one further topic in respect of which I wish to indulge myself briefly. It concerns the matter of compensation to victims of crime. Frequently, we learn from news sources that people are amazed that members of society would stand around and watch, without lending a helping hand, while some particular individual is besieged and perhaps harmed physically by the methods used by criminals. One reason I believe goes far beyond the question of not wishing to become involved. There is a real concern on the part of the general public that if a member of the general public were to assist in such a circumstance and should be physically injured himself his own family might suffer as well. The citizen's arrest or the idea of assisting the police I believe has a long tradition in British common law, but is frequently ignored. This tradition I believe is followed more frequently in smaller communities where each person knows everyone as neighbours or friends. However, it is frequently ignored in a city crowd. I believe representations have been made over the years on this subject. I think particularly of the case of a fireman who came to the aid of someone who needed him, whose injury involved a substantial loss of pay.

I notice that the British Columbia legislature recently passed a measure to assist in the compensation of crime victims. So, I put this forward as a little representation for the consideration of the minister. It seems I am always making representations to the minister. I made them in respect of immigration and the lack of reciprocity. Before he could get around to doing something about it, two and a half years later he is not the minister responsible for that department. However, he has listened most attentively. I am sure he has heard these representations and will hear them again. I look forward to him adding this subject to the very progressive bill we have before us.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I wish to make just one or two short comments. I am very glad to see that at last measures are being taken which, as a non-lawyer, I can only hope will be effective in getting right under the skin of these cancerous individuals who through some warped logic of their own decide it is profitable and fruitful to hijack an aircraft or try to ransom the people on board an aircraft. As I said, I am not a lawyer, but I am very glad to see that the definition of a peace officer includes the pilot of an aircraft when that aircraft is on the ground and when the pilot has taken command of it for the purpose of flying it somewhere. It is my understanding that sometimes the trickiest phase of one

of these take-over bids occurs on the ground when peace officers are present.

• (1520)

It is my understanding from talking with pilots that they are very apprehensive about not being in command of the situation until the moment when they want to turn it over to policemen. They have usually had an opportunity of evaluating the mental state of the person who has attempted to hijack the aircraft and they are probably adjusted as much as they can be to the situation. Sometimes, in their opinion, more harm than good can be done by having an over-zealous police force come in with loaded guns and try to solve the situation in a manner with which the pilots probably do not agree. So, I am glad to see that the aircraft will be left in charge of the pilot until such time as he would normally hand it over.

I also have one comment to make about the fact that if a person is found guilty of the indictable offence of hijacking he is subject to life imprisonment. As I understand it, life imprisonment is nothing of the sort. In many cases, it is probably a good thing to allow a person who has been sentenced to life to have his case reviewed, and to be freed after a certain number of years if he has shown signs of penance and a change of heart. However, it seems very difficult to reconcile oneself to the idea that anyone who has hijacked an aircraft should be let out into society again. I cannot understand what kind of egotistical nut could ever think that it was either funny, progressive, amusing or of any value to anyone whatsoever to put the lives of 100 to 200 people in jeopardy. Therefore, I feel that when this bill goes to committee the penalty of life imprisonment should be considered very carefully.

Perhaps psychiatric evidence should be sought to ensure that a person released after a number of years will not be so stupid or so insane as to do the same thing again. It is tragic enough when a man makes another mistake or kills a man after having been let out of prison, but it is about 5,000 per cent more tragic if he hijacks an aircraft and puts the lives of several hundred people in jeopardy. So, I commend the government for having brought these features into the bill. I suggest that when the bill goes to the committee, the committee should ask the Airline Pilots Association to come before it and to give its opinion of the bill. Personally, I would ask the committee to take another good, hard look at the practical result of a sentence of life imprisonment so far as this legislation is concerned.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this omnibus bill is one that permits a wide range of discussion, comprising as it does a multitude of changes in the criminal law. I congratulate the Minister of Justice (Mr. Lang) on the manner in which this whole question has been brought before the House and the degree to which an opportunity is afforded to consider in general, with particular reference to the sections contained therein, the whole problem of the criminal law.

It is on that subject that I intend to speak shortly. I will then refer to two or three matters, all of which have been dealt with before in the debate but on which I will give a somewhat different viewpoint than those already expressed during the course of the debate. I will say immediately that during my years in university and law school, the general feeling was that if only people could live in affluence, most if not all of the problems of mankind would be solved. In the last 50 years, despite the inexcusable poverty which still exists, we in Canada have gone far to bring about one of the highest levels of living in the world. In North America, with reference to the United States and Canada, economic well being beyond imagination at the beginning of this century may well have dulled and even drained away the courage, initiative and vigour of the people. In achieving economic prosperity—and I am speaking about levels of prosperity—are we in danger of losing the spiritual values which nations no less than individuals need to survive?

I was particularly impressed with the speech on the subject by my hon. friend, the hon. member for Halifax-East Hants (Mr. McCleave), who has made a profound study not only of this bill but of criminology in general. It reveals the progress in the House to which he has greatly contributed.

We find that lawlessness has become almost a way of life. Crime is rampant and on the increase in Canada, in the United States and in Great Britain. Why has this come about? Why in Canada last year should almost 5 per cent of our total population find themselves convicted of some offence under the Criminal Code? It is a frightening picture to see that one million Canadians were convicted of criminal offences, and I am not speaking about automobile offences other than manslaughter and that type of offence. The question is being asked: what should be done? Should there be more severe penalties? Has there been too great freedom in the last two or three years in the granting of parole in our country? It was under my administration that the Parole Board was set up, but I was concerned recently when several of those who committed one of the most dastardly offences, that of kidnapping, found themselves released after serving a very short portion of their sentences. That type of thing encourages violence. The violence of a few becomes a contagious disease within our country and other freedom loving countries. One of the reasons is that acts of violence are continually played up in the press, on radio and on television.

• (1530)

There is a movement within our country, as in other western Nations, of an underground nature, the members of which masquerade above ground as crusaders for permissiveness, participate in campaigns for peace, and against the war in Viet Nam. Their leaders claim that what they are doing is an exercise in freedom of speech, when in fact it is often criminal and contrary to several sections of the Criminal Code. Violence begets violence, and unless measures are taken to punish this kind of wrongdoing those who advocate, support and engage in violence will destroy the basis of our democratic society and pave the way for absolute tyranny.

Today we find the youth of our country criticized. I do not join in that. There are 2 or 3 per cent that preach revolution, while the rest want to bring about change by democratic means. Those who pretend that they believe in passive resistance or disobedience as practised by

Ghandi, are actually practising revolution and advocating changes in our country on the basis of revolution.

I have stood for the right of the individual to have freedom of speech throughout my life, both at the bar and in the House of Commons. And I have stood for the right of the individual to have that freedom and to advocate the need for change. I believe that impatience, coupled with the will to change, are both needed to bring about orderly progress, but an uncontrolled will to change, practised without restraint, is a menace to freedom. Mob rule is the antithesis of freedom and dare not be condoned if freedom is to be maintained or even to survive. With those few general remarks, Mr. Speaker, I now come to the bill itself.

The hon. gentleman who preceded me dealt with the question of piracy in the air. I brought this matter before the House on March 20 when I asked the minister, as recorded at page 959 of *Hansard*:

In order to discourage potential hijackers for gain, is the government giving consideration, among other things, to bringing in as part of the de-incentive, if I can use that expression, a provision whereby no airline will be permitted to pay ransom?

The answer was:

There is no immediate intention to introduce legislation along these lines.

I think it should be done, Mr. Speaker. In large measure hijacking is designed to bring about extortion by way of ransom. If the right to extort is denied by law, the incentive to commit hijacking is greatly reduced. I again ask the minister whether he will not give consideration to a further amendment along the line I have suggested here, to the end that we strike at the vital basis for hijacking and kidnapping, except in a very few cases.

There is a strong feeling in certain areas of our country, and among very thoughtful people, that capital punishment should be re-instated. I realize that statistics are always available to prove whatever the person who produces them is endeavouring to prove. But when it is stated that the murder rate is increasing, I do not share that view. What I see is this: that when capital punishment was in effect, if there was any possibility of bringing in a verdict for manslaughter, juries did so. Since the changes have been made in the law removing capital punishment from capital murder, juries today do not have the same qualms about convicting that they used to have. Anyone who has acted both for the Crown and defence knows that if there was a reasonable ground for a jury to find that the accused was not guilty of murder but of the lesser offence of manslaughter, the jury almost invariably took the opportunity of reducing the charge. Everyone is entitled to his or her view of capital punishment.

Mr. Speaker, I appeared for the defence many times. Although my experience in criminal law was restricted to about 5 per cent of my total practice at the bar, I defended quite a large number charged with murder. Some wonder why I have such a feeling of concern over the imposition of the death penalty. I ask those who wonder how would you feel if you defended a man charged with murder, who was as innocent as any hon. member in this House at this very moment, who was convicted, whose appeal was dismissed, who was executed; and six months later the star witness for the Crown admitted that he, himself, had committed the murder and blamed it on the accused? That experience will never be effaced from my memory. The man was so sure he could not be executed that he said to the executioner when he came along to perform the supreme penalty of the law, "You can't hang me; God won't let you." I ask hon. gentlemen to bear that experience in mind when they conclude that those of us who stand against the re-imposition of capital punishment have views that are based on emotion but not on actual experience.

All over the free world capital punishment is disappearing, because we are living in a changing world. My great grandfather saw a boy hanged in Upper Canada for picking pockets in 1837. I think the boy was 17 years of age and everybody gathered for the public execution. Those Scottish people in North York turned up in large numbers. There was a great celebration, and during the ceremonies of the execution four of them had their pockets picked, which just indicates the argument that the fear of capital punishment will greatly reduce the number of offences is not completely tenable, or indeed tenable at all.

I think the record shows that in the United States there has been not one execution in the last three years. Capital punishment has been abolished within the United Kingdom, excepting within those limits which all of us know.

So far as the imposition of the lash is concerned, anyone who has ever seen a man who has been lashed would never advocate the heinous cruelty connected with that operation. It demoralizes not only the individual lashed but also those who have to carry out the penalty.

Next there is the question of common assault and increasing the penalty from a potential two years to five years. I think that is going too far. Common assault can be tried by a justice of the peace. To place in the hands of a justice of the peace the summary right to impose a sentence of from two to five years, is to me inexcusable and unjustified.

• (1540)

The increase in penalties for assault of police officers is, I think, justified on the basis of what too frequently happens today when police officers become a subject of contempt, largely as a consequence of some people referring to them as "pigs". Too often the Canadian who believes in law enforcement fails to give to those same police officers that respect, regard and help which they deserve. Those are just three or four matters to which I wanted to allude.

I wish now to go on to another matter which is not comprised in the bill itself in any way. I am concerned about the fact that we discriminate against the Indian in the administration of law. For many years I was a proponent and advocate of the Bill of Rights which was looked upon in some circles with a certain amount of derision. Many law professors said that it would never be effective. It came into effect in 1960, and for seven long years thereafter various professors and inferior court judges across this country stated that it was in effect a grandiloquent declaration of human rights but would never be effective to protect the rights of the individual.

Then came the Joe Drybones case—a wonderful name that Indian bore. Drybones was found guilty of being

drunk in his shack on his reserve. It was an offence under the Indian Act. He was found guilty but he said "You cannot do this to me" and the prosecuting authority said "We have". He appealed and the appeal was allowed. The present Minister of Justice (Mr. Lang) had nothing to do with the matter of which I am about to speak, but it has always shocked me that the government of Canada had its counsel argue for a day and a half in the Supreme Court of Canada that the Bill of Rights was not effective and ought not to be declared to be effective. That is what was done by the present government. Pretending to believe in human rights and human freedom, it has its counsel argue in the Supreme Court of Canada with vehemence that the Bill of Rights was a danger to Canada in that it subjected parliament to the surveillance of the courts. The Supreme Court of Canada held, however, regardless of the arguments advanced by the Crown and under the direction of this government now in office, that the Bill of Rights was superior to every law ever passed in Canada since 1867, and where any portion of the statute passed contravened in whole or in part the provisions of the Bill of Rights, to that extent it was a nullity.

Now, a word about the Indians. I always feel a sense of guilt when I see the Indians across our country, who have a right to go into a beer parlour and buy liquor, who have a right to secure liquor from the regular sales outlet, but have no right to have liquor on the reserve. Where are they to consume it? If they consume it on the way home so that they will not break the law on the reserve, they are subject to being charged under the various liquor acts. The fine is usually $50 minimum with the alternative of 30 days in jail. They cannot pay the fine so poverty becomes their passport to prison. That is wrong, Mr. Speaker. In his desire to bring about changes that will ensure human liberty, I would like the Minister of Justice to communicate with the Attorneys General of the various provinces in order to arrive at a plan which will do away with this stigmatization of the Indian.

I visit jails and I see there individuals; decent, responsible, respectable Indians who are unable to pay the fine and are incarcerated because they dared break a provincial law while having been placed in a position where they have no alternative but to break it. If the Minister of Justice were to bring together the various Attorneys General from across the country, I think arrangements could be made to remove this example of discrimination. When it takes place it causes me to have a feeling of revulsion that all who hate injustice would necessarily share. I am not going to speak of what I have done but on more than one occasion, not knowing the individual at all, I have paid his fine so that he would not be incarcerated. That is how strongly I feel on this matter and I hope that the minister, in the spirit in which I advance it, will do his part toward eradicating one of the most serious examples of injustice to an individual which arises because of his colour and by virtue of the fact that he resides on a reservation.

Mr. Speaker, I do not want to detain the House, but I thought that these few observations might at least start a line of thought that would be beneficial to all of us in that it would ensure justice to all.

Some hon. Members: Hear, hear!

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): Mr. Speaker, it will certainly be forever a great honour to me to remember that I followed the right hon. member for Prince Albert (Mr. Diefenbaker) in a debate on criminal law. I remember the occasion when I first saw him in the courts. I think the right hon. member will recall the case of Regina versus Cathro and Chow Bew. I was just a young lawyer, and I noticed that he made all his notes on the back of a cigarette package. I was very impressed with his address to the jury on that occasion so for the next four cases I made my notes on the back of a cigarette package and lost every one of them. He happened to win.

An hon. Member: You should give up smoking.

Mr. Hogarth: Perhaps I can be allowed, however, to correct the right hon. member on an observation that he made in regard to the law proposed by this bill. He suggested that the law is going to be changed so that common assault becomes punishable by five years in prison. I would draw the right hon. member's attention to the provisions of clause 21 of the bill. All that has happened to common assault is that it will be made a summary conviction offence, on which I will comment further in a minute. It is assault causing bodily harm, an indictable offence, where the penalty has been increased to five years. I think this was as a result of a case in the British Columbia Court of Appeal. The Court was limited in the length of the sentence that could be imposed on a particular individual in relation to what they felt was a particularly vicious assault causing bodily harm.

While the field of criminal law is extremely difficult in a modern society, it is especially difficult in Canada where there are different moral standards throughout the country and certainly a conflict between urban and rural societies. The crime rate is up and society is expressing more and more concern. It is difficult to resist the hard line taken by some people. The Chief Justice of British Columbia is alleged to have said "If there is going to be shooting, there will surely be hanging." It is difficult for society to accept the proposition that society's best protection lies in good, sound, modern penology which, in turn, rests on the principles of rehabilitation. We need a police force which is supported by good laws; we need good penology services and we need a good parole service.

• (1550)

We are moving too slowly in the direction of advanced penology in Canada. Although our theories in some instances have not proved too sound, we have made some progress in this area. Nevertheless, we have many years of lag to make up. I notice that the right hon. gentleman pointed out that not until 1958 was our parole board first established. One would think that in a country as modern as Canada such a board would have been established in 1928. Without doubt, harsh measures such as corporal punishment or the noose do not deter violence. Certainly, crimes of violence are on the rise; I doubt very much if we can attribute those to the lack of harsh sentences imposed. I think statistics shortly will reveal that although all crimes of violence are increasing, the crime of homicide, for which in some instances capital punishment has been provided, is showing the slowest rise.

So, it would not appear that the noose is a deterrent with regard to offences of that nature. Certainly, public executions are absurd. I understand that public executions were stopped because they became too much of an attraction. Thousands of people would stream to the execution. Instead of executing a man publicly, in recent years the authorities hanged the man in the middle of the night in the privacy and secrecy of a prison. Recently I read a description of a public execution in London, Ontario. That was a disgrace to those times. People had little humanity. Society today would not tolerate such a spectacle. Hanging is not necessary. It is offensive to our basic principles of rehabilitation. I hope with all my heart that all hon. members, in the debate soon to come, will see their way clearly to taking the enlightened point of view.

The actions of the parole board in the case mentioned perhaps could be criticized. Nevertheless, we must remember that the parole board, by and large, hears about 17,000 applications per year and it has done extremely well in discharging its duties. Hopefully, we can extend the parole system beyond its present limits and, by increasing the staff, try to make sure that errors of that sort do not occur. I submit that the behaviour of the inmate during the whole course of imprisonment ought to be the determining factor of his parole. That behaviour pattern could be obtained from an analysis of his day to day conduct. We must also remember, and the minister responsible must take this point of view, that the parole board's function is quasi-judicial. It is not for the politician, it is not for the member of parliament, or for the minister under whose direction the parole board comes, to interfere in any way with the workings of that board or in the manner in which parole is given. If that interference should ever occur, Mr. Speaker, parole would depend upon whom you know, and not on behaviour. As such, the concept will be reprehensible to us all, and I do not think any member of this House would entertain it. By and large, the parole board of this country has done a good job. As I say, I recognize some mistakes it has made. The board will be presenting its estimates before the Standing Committee on Justice and Legal Affairs tomorrow, and any hon. member who wants to examine a member of the board may do so. Hon. members may examine the board and see exactly what the present situation is and how past mistakes may have arisen or may have been corrected.

I had occasion not long ago to visit the members of the Optimum Club in the maximum security institution in British Columbia, the B.C. Penitentiary. The Optimum Club consists of a group of men, some of whom are serving life sentences of imprisonment—we call them lifers—following conviction under habitual criminal proceedings. The hon. member for Fraser Valley West (Mr. Rose) told us of some of the problems that arise among such sentenced habitual criminals. The problem, really, stems from a change in the judicial interpretation of the law. Some years ago there was a rash of prosecutions under the habitual criminal section and men who had a record of a long string of minor, petty offences were sentenced under the habitual criminal section. Perhaps I am exaggerating the case somewhat. At any rate, those who had been convicted of a long string of minor, petty offences were found to be habitual criminals and were sentenced accordingly.

[Mr. Hogarth.]

Today, of course, they are in jail, well knowing that the judicial interpretation of the law which sent them to jail has been changed. Now, only those with a long history of more violent offences are charged as habitual criminals. The members of the club know that if they were to come before the courts today, it is unlikely that they would be convicted of anything more serious than the prime offence, as we call it, which brought about the habitual criminal proceedings. As the hon. member for Fraser Valley West mentioned, I have referred this matter to the Minister of Justice (Mr. Lang) and am pleased to note that he is to send the matter to the Law Reform Commission, to be taken up in due course in its deliberations.

So far as habitual criminal proceedings are concerned, may I suggest that the accused be subjected to those proceedings only after he has finished serving his sentence for the prime offence. Only then, after he has finished his sentence for robbery, or whatever he was charged with, should habitual criminal proceedings be undertaken. After that sentence is finished I suggest that he should be placed on life long parole, instead of in a maximum security institution, for a man on lifetime parole would know that if at any time he transgressed the law or the conditions of his parole, he could find himself back in prison. I suggest that would be a better way of treating habitual criminals than incarcerating them, as we now do. Actually, our present habitual criminal proceedings were one of the prime causes of a riot in a British Columbia prison at Oakalla. Some time ago, a number of prisoners charged as habitual criminals were imprisoned in Oakalla. Knowing that they faced a life of perpetual imprisonment if convicted their morale sank so low that they started a riot while awaiting trial.

I want the Minister of Justice, particularly, to pay more attention to what is being said at the grass roots level by those who must administer our bail reform act. I notice that Mr. Stewart McMorran, a name well known to the Minister of Justice and to any Canadian criminal lawyer, has suggested that, in the police courts of Vancouver, the new bail reform act is not working. I think the whole matter of bail reform should be investigated. We must look at this again, or else there will be trouble brewing not only for the minister, but, as well, for the police and authorities who must administer the act.

This bill, an omnibus bill, certainly contains many provisions, some good and some bad. I see, for instance, if I may talk about indemnities for a bondsman, that we are still to prevent professional bondsmen from operating in our cities and communities. This, I suggest, ought to be reviewed. After all, a man charged may be in Montreal, and he may have come, in these days, from Winnipeg, Calgary or any other city in Canada. When charged he may find himself in Montreal; also, the reverse may be true. That man may not be able to get bail because he has no friends in Montreal. From my experience, it is difficult to put up property as bail; if the property is much more than a half mile away, so to speak, there are great difficulties. I hope that provision will be made for professional bondsmen. I see nothing wrong with this. Professional bondsmen have been excluded under our criminal law because, under the old common law concept, a man's friends were the ones who would get him back to court if he was reluctant to face justice. I think in modern society

that basic concept has become outworn. A professional bondsman, after he has been thoroughly investigated, ought to be acceptable. I hope this bill will include provisions to that effect.

The provisions with respect to soliciting for purposes of prostitution are somewhat obscure. It is interesting to note that prostitution never was an offence. I do not think that prostitution has ever been an offence in the history of the common law or our statute law. Incidentally, offences pertaining to prostitution have. We now come to the part dealing with soliciting and I quote:

• (1600)

Every person who solicits any person in a public place for the purpose of prostitution—

I do not know what it means to solicit for the purpose of prostitution. Does it mean that someone is going to try to induce someone to become a prostitute? However, it appears some dressing up has to be done with that clause. Why not go the whole way and say that any person who is found with a prostitute is also guilty of an offence? Why not be honest about this, and say that if prostitution is against the law in any way, those who use prostitutes are also committing an offence. But oh, no, this is a very masculine society. I should not say that because this provision now applies to both men and women. I will comment on that in a minute. Nonetheless, the predominant use of prostitutes is by men. If we are going to deal with prostitution in any way, shape or form, those who participate should be just as guilty as those who are prostitutes.

Today is a day of come-uppance. During the course of the debate on the omnibus bill when we amended the section of the Criminal Code dealing with indecency, I drew to the attention of the justice committee and the solicitors who were present from the Department of Justice that if we were going to permit gross indecency in private, we would have to amend the law pertaining to male prostitutes. I was assured that the law, as it then read in the Criminal Code, was quite satisfactory. It gives me great pleasure to draw to Your Honour's attention the fact that clause 14 of this bill now does exactly what I said should have been done three years ago, after several judges in this country pointed out to the Crown the essence of their stupidity.

An hon. Member: Law officers are never wrong.

Mr. Hogarth: That is the trouble. Perhaps now that we have had a little more experience, we can draw their attention to a few places in this bill where changes should be made rather than go through the whole exercise again in the next parliament.

Mr. Howard (Skeena): Have you got any views as to good government?

Mr. Hogarth: I have a lot of views about that. I am concerned. The repeal of the law pertaining to vagrancy is discomforting. Common law offences relating to vagrancy were codified in our Criminal Code as early as the 1898 version. The trouble with the offence of vagrancy is there is one catch-all section which deals with the person who has no apparent means of support. Section 175(1) reads:

Every one commits vagrancy who

(a) not having any apparent means of support is found wandering abroad or trespassing and does not, when required, justify his presence in the place where he is found;

That section was of tremendous use in law enforcement. When someone was found in a dark alley hiding behind a telephone pole or a garage and watching a dwelling house, a policeman could take that man into the police station and legitimately ask him what he was doing. This section does not apply now, other than the one Part dealing with a dwelling house and, I should specifically put the case in a warehouse district to get it more clearly established. Such a person can now stay there, drift into the darkness and rob the warehouse in the next block. The time has come for some policemen to obey the law, although I do not suggest that they do not now do that. We have good law enforcement people. However, in order to make sure the policemen are protected when they act, there should be a section enabling them to remove people when circumstances indicate they are obviously on the verge of committing an offence. We better look at that carefully when the bill is in committee.

I am glad the law officers of the Crown have advised the minister to go as far as including the offence of canoeing while impaired. Our impaired driving sections have been applied to vessels. Assuming a canoe is a vessel, I can visualize someone cruising down the river while his ability to paddle is impaired by alcohol.

There will be a particularly good debate on this. The breathaliser section, under which the Canadian public were promised the accused would receive a sample of his breath, is in this bill. A sample of breath can be taken by the police but, of course, nothing whatsoever has been done to provide a suitable container to give the accused a sample of his breath. It is just put in there for political window dressing to fool the Canadian public into thinking we are great reformers, thinking only of their interest. Everyone knew this at the time that section was put in the bill, and I drew to the attention of the committee the fact that there was no such thing as a container in which a sample of a person's breath could be retained for the purpose of measuring the alcohol content. I understand there is still not one available. Now, the same provision is included in the section covering the offence of canoeing while impaired. This nonsense should stop until such time as we get a proper container. Perhaps I am prejudging the case. Maybe the minister has one in his pocket which he will bring to the committee. I look forward to being the first to test it.

Mr. Alexander: We may wipe out that clause if he does not bring in that container.

Mr. Hogarth: The right hon. member for Prince Albert (Mr. Diefenbaker) referred to common assault. Common assault was previously one of the few offences which could be proceeded with either by way of summary conviction or indictment. Impaired driving and dangerous driving are the others. The value of having this as an indictable offence was that it often came in handy in jury trials. If a jury wanted to convict a man of an offence, but not manslaughter, assault causing bodily harm, wounding or maiming, the judge could direct them that common assault was an included offence in the indictment. It is

now a summary conviction offence. It cannot be included in a proceeding with an indictable offence. Often the jury compromised on a verdict and the man was dealt with much more lightly than he would have been in the first instance.

With regard to the offence in clause 27 on page 18 of the bill, having in one's possession a motor vehicle with the serial number obliterated, the onus should be on the Crown to prove the accused knew it was obliterated. It should not be left the way it is now.

I am concerned about the provision in clause 38 which appears on page 24 of the bill. This provision permits a justice, acting under that part of the Criminal Code, to remand an accused, and I quote:

for a period not exceeding thirty days without having heard the evidence of a duly qualified medical practitioner where he is satisfied that compelling circumstances exist for so doing and that such a medical practitioner is not readily available to examine the accused and give evidence;

With the greatest of respect, medical practitioners are the last persons who like to appear in court. I am afraid that where you have an accused who may appear to be a little dull, but certainly has all his marbles if I may use that expression, remanding him for 30 days will be a good excuse for police officers who prosecute in rural communities to imprison him when he otherwise would have been brought to trial. The medical facilities in this country are adequate and the provision that the remand must be on the evidence of a medical practitioner should be retained. In any event, we look forward to hearing the minister with regard to that particular clause and the reason for the change.

Finally, I wish to speak about the concept of conditional discharge which appears at page 33 of the bill. This will now be possible under section 662.1 of the code. It is grossly inconsistent. I am not in favour of the conditional discharge concept. The British had a conditional discharge some years ago, but they repealed it. It is no longer in their law. We are rather far behind in law reform and will have to go through that period of experience before eventually throwing it out. It is incongruous. I quote:

Where an accused, other than a corporation—

Why they should be exempt is beyond me. In any event, if he pleads guilty or is found guilty of an offence, the court may, instead of convicting him, place him on probation. In short, he is on probation for an offence of which he was never convicted, and that is surely nonsense. When an accused pleads guilty, or is found guilty, then he is convicted. That is precisely what has happened to him. I would much prefer that the minister consider that a magistrate or a judge has the right, having heard all the evidence against the accused, to decide that it is not in the interests of the community in which the accused lives—or in the interests of justice, if I may put it in that way—to convict him. He has heard all the evidence but he makes no finding. In cases of guilty pleas perhaps exceptions could be made or some qualifications attached.

• (1610)

A prime example of what I mean is women who have reached the menopause period of their lives and the strain is such that they sometimes become shoplifters. This situation is well known in the courts, and certainly these women should not be convicted of such an offence. They pick a load of groceries and walk off with it because they are mentally deranged. This sort of thing has happened to many women. Similarly, there are men who should not be convicted of certain offences, depending on the individual case. In such cases, I suggest the magistrate should have the right to say that it is not in the interests of justice that the case proceed and that he will enter a stay of proceedings. The attorney general has this right. In any proceeding his agent, the Crown prosecutor, may tell the clerk of the court without leave that he wants to enter a stay of proceedings in a certain case, and then that case is over, unless he wants to proceed with it at a later date.

[Mr. Hogarth.]

We are now making provision for this in the bill with regard to summary conviction offences. This is the sort of thing a court should be allowed to do because then there is no conviction. Perhaps there should be special provision made in the case of a guilty plea where a magistrate has the power to hear representations from the accused or his representative to set aside the guilty plea and to enter a stay of proceedings. In that way, we would be able to circumvent the absolute garbage we find in the bill that would result in placing on probation an accused who pleads guilty without convicting him. I suggest this is a matter we should look into during the committee hearings. I am a little surprised we have not sought to benefit from the English experience and dress the bill up properly in the first instance.

I am extremely proud to be in a parliament where we are moving toward the abolition of corporal punishment. I must say to the hon. member for Broadview (Mr. Gilbert) that no member has done more than he to insist that the government get down to this question. I remember debating a private member's bill that he introduced on this subject a couple of years ago. Other hon. members have also supported this proposal. Corporal punishment is a most demoralizing thing to men in prison when you are trying to convince them that the "Catch 22" of crime is a change of attitude toward their fellow man and society. The way out of jail for them is a change of attitude. It is the only way out, and if they do not change their attitude in prison then it will not be long before they are back again.

Just what is it that happens when you put a man in a room, take the skin off his back with the cat-o-nine tails, then take him back to his cell, as they used to—though I do not know what is the procedure now—and throw salt water on the wounds? The attitude the other prisoners have to that sort of treatment is: "That is the way that society treats the likes of us". They identify very closely in the prison subculture. This is why seeing this type of nonsense eliminated gives me great pleasure, and is a reward to the hon. member to whom I have referred for his insistence. Your Honour will note that in the justice committee the other day the Solicitor General (Mr. Goyer) said that corporal punishment would never be used in prisons so long as he was minister. Prison wardens or custodial officers are finding that they can get along without its use, that they do not need it any more. Isolation is one of the remedies being substituted for corporal punishment.

I am looking forward to the bill going to committee and, hopefully, getting the law officers of the crown to change their views here and there on the bill where perhaps they are wrong. I am looking forward to participating with other hon. members in the deliberations of the committee on what will be a very interesting experience in the criminal law.

Mr. Frank Howard (Skeena): Mr. Speaker, I was, as I am sure were others, very interested to listen to the remarks of the hon. member for New Westminster (Mr. Hogarth), especially to his careful and incisive analysis of the poor wording in some of the clauses of the bill, which presumably reflects his opinion of the poor advice given by law officers of the Crown. It is not very often that we get hon. gentlemen so closely attached to the government itself giving an indication that perhaps the consideration and advice given by law officers, who I take to be the lawyers in the Department of Justice who do the drafting and give legal advice to the Crown, has been poor.

We all know that the hon. member has tremendous ability and mentality to be able to see through a lot of this bad advice, and I am sure we will all remember this in future if and when the Minister of Justice (Mr. Lang) gets up on a major point and indicates that he got advice from the law officers of the Crown regarding a certain way to proceed. It puts the thing in proper perspective and probably indicates that, on a number of occasions in the past when hon. gentlemen in government have risen to endorse their position by resting upon the sanctity of the law officers of the Crown, they have been given bad advice and have accepted it. So far as the operation of government is concerned, this is probably a bad thing. However, I do not want to go too far in that direction, except to say that it was interesting to hear some hon. member opposite finally admit in this House that bad advice is sometimes given, and perhaps has been given in the case of this particular bill.

I suppose we cannot very well, and should not, approach any bill relating to the criminal law of the country by looking at the criminal law alone to see what it is that the government proposes to change, to add or to take away. We have at the same time to look at the effect that the law has on individuals who appear before the courts charged with some offence against the law, and see what might be the outcome for the individual. In other words, not only should we be considering the rights of individuals and property offended against; we must also look at the possibility of rehabilitation, so-called, of the individual who offends against the law. There is a companion attitude that we have to take in this connection. This has been reflected in the comments of many hon. members who have wondered about the effectiveness of the law as it is applied to individuals who offend the law, and as to whether or not there will be remedial or preventative steps taken, so far as that same individual or some other individual is concerned, to prevent infractions of the law in the future.

• (1620)

I do not say this from having made a study of it, not being involved in the legal profession in any way, but it appears that the Criminal Code is concerned almost exclusively with offences against people and property, whether they be ones of individual injury, such as might be the case in an assault, or ones of theft, in the case of break and entry or something of that sort. That is about all that is of concern to the Criminal Code itself. There is a companion part which would seem to be based on the theory of deterrence. In other words, we seek to create an offence and bring some punishment to bear upon anyone who is convicted of committing that offence, the theory being that if the punishment is severe enough it will deter that person from committing that or similar offences in the future, or if it becomes public knowledge that the punishment is severe there will be a spin-off effect deterring other people from committing an offence against the law. In other words, if we make the punishment severe enough this will stop crime. I do not think that is true to the extent we seem to think it is.

It has been stated on many occasions, and I think this is an over-simplification, that we have an 80 per cent recidivism rate in our federal penal institutions. In other words, as I understand it, 80 per cent of the people who are in federal prisons today have been in jail before at some time during their lives, some once, some innumerable times, some in provincial jails and others only in federal institutions. If the theory of deterrence, upon which the criminal law in part is based, were fully effective, then presumably in theory a person might commit only one offence and then be deterred by the severity of the punishment from committing any further offences, and others, knowing what punishment is likely to be handed out, would not commit an offence in the first place. That is pretty false reasoning and should not have, to the extent it does, any place in the development of criminal law. We should not try to develop criminal offences, a criminal code and criminal law with that concept in mind. We should have some other type of concept in mind, namely what can we do to assist the individual who offends against the law in order that he will not repeat his actions?

What can we do to establish social concepts or an attitude about offences against persons and property so that those who have not committed any offence will not do so because they consciously desire not to rather than because of fear of punishment? In a number of instances, the side notes in the bill use the word "punishment" to indicate what will be visited upon an individual if he is convicted of theft, or whatever the offence may be. Reference is made to the terms of punishment and injury to the individual who has injured somebody else. It reflects the concept of retribution and revenge, which is different from the question of deterrence, although that is wrapped up with it.

I think probably we still have a carryover within our general attitude about these matters which reflects a bit of the past and carries with it a concept of punishment, which history has shown to be not acceptable. We still say to ourselves that even though we do not have any vengeful feelings, we intend to punish somebody or wreak vengeance upon him for something he has done to somebody else. In the process of doing this, we hope to deter that person and others from comitting offences in the future.

Apropos of that, I should like to make a comment about the law relating to murder. For almost five years now we have had a law which provides that if a person is convicted of murdering a police officer or a penitentiary guard, I think those are the two classes, that is capital murder and the person convicted of committing such an offence will be hanged. In all other cases, the individual will not be hanged. I have expressed my views as to whether or not that type of penalty is a deterrent to a person committing that offence, and hope to have the opportunity to do so again when this subject comes up again for discussion. To the extent that people feel the threat of hanging is a deterrent to individuals to commit murder of a police officer or a prison guard, the whole concept is being negated by the government itself. If parliament has said that in these cases where someone has murdered a police officer or a penitentiary guard that person shall be hanged, I do not think the Prime Minister (Mr. Trudeau) or anybody else has the right to thumb his nose at the law of the land as expressed by parliament. The government should not say it does not care what parliament has said or what the law is because the government is supreme.

I do not know how many cases there have been in the past few years, and four or five come to mind quickly, where a police officer has been murdered and an individual convicted, the sentence imposed by the court but set aside primarily because of the attitude of the Prime Minister. To the extent that you accept the idea that capital punishment is a deterrent, this action on the part of the government entices people to commit murder of police officers and penitentiary guards. If the deterrent concept has any value whatsoever, the government has removed that value because those who are involved in circumstances, for whatever reason, leading to the murder of a policeman or penitentiary guard do not think in terms of automatically being hanged since the government continues to commute their sentences. The deterrent to that extent is removed. I do not think it should be considered in the first place because I do not buy the idea, but so long as it is in existence it should be respected. I hope the minister is not shaking his head in disagreement with the force of what I have said. When such a person as the Prime Minister brings the law of the land into disrepute by ignoring and thumbing his nose at it, he entices others to do the same thing.

The criminal law also rests on the concept of establishing the punishment to fit the crime rather than taking into account the individual who may be charged with the commission of an offence. This situation is changing. The courts, in some instances, are becoming more enlightened and concerned about the individual and less concerned about making the punishment fit the crime. The hon. member for New Westminster (Mr. Hogarth) referred in general to the case of a woman reaching the age of menopause, being emotionally disturbed by that process and engaging in shoplifting. He suggests this should not be considered an offence, in the normal sense of the word, against the criminal law.

• (1630)

As I understood him, he said that in many cases the Crown prosecutor will simply ask the court clerk to enter a stay of proceedings, in other words not proceed further with the case, because there is a recognition of the possibility of an individual technically committing an offence of theft or whatever the charge for shoplifting is. This situation is changing. A different sort of attitude is developing. We have the opinions of psychiatrists, for what they may be worth, and quite frankly I do not think much of them in many of these cases; but in many respects these opinions are being heeded by the courts. However, we still have the general problem of fitting the punishment to the crime. The operation of the Parole Board is supposed to alleviate the force of the law as it is vented upon someone who has committed an offence. In theory, the Parole Board is supposed to look at these individuals who are in jail and say they do not have to serve their time in jail but can part of it outside. This shows a concept of concern for the individual.

I quite frankly think that the Parole Board, while it operates in this area of lessening the impact of the punishment in terms of time spent in jail, none the less is a highly conservative structure. It may be highly conservative because of the nature of the Parole Act which set up the board, but none the less it is conservative. Of course, one must be selective in this procedure and this is where the decision-making comes into it. But I advance the idea that in many instances the very best time at which to give a person a parole is on the day he is sentenced by the court, especially in cases where a person has been convicted of a crime arising out of an emotional involvement. A person may be emotionally unbalanced at the time of committing a murder because his or her spouse has been involved in some extramarital relations with someone else and has been discovered in that act. In such situations, the result is usually an offence of murder and the likelihood is that the individual involved will not again run into a similar circumstance. It is not a deliberate act or an act of a criminal nature such as a bank robbery. For a person of that type to have to spend 5, 6 or 7 years in jail, or some period of that nature, before some favourable consideration may be given to him by the Parole Board is really stretching the point. To the extent that we want to buy the idea of balancing out the punishment concept by the use of the Parole Board, I think the Parole Board could operate in this area and be a little more generous in its consideration of these cases.

Another matter with which I think we must concern ourselves arises when we come to the matter of the punishment fitting the crime versus the punishment so-called—and I place that in quotation marks—fitting the individual. This comes into focus when we talk about the disparity in sentencing. We know of instances where a person who commits an offence in one jurisdiction may receive a pretty severe sentence from one judge or one court, either because that judge has an apoplectic view about that type of crime or a certain concept of punishment and deterrence, or because of local situations which might exist which may influence the court or judge either consciously or unconsciously. On the other hand, a person in similar circumstances in another part of the country may commit an identical offence and receive either a suspended or very light sentence, or a stay of proceedings, or whatever result the court or Crown may wish to secure.

Inasmuch as the Parliament of Canada is reviewing the criminal law for all of Canada, I do not think we should

permit such wide disparities to exist in various parts of the country that one person may receive a ten-year sentence for the theft of $201, while another person may receive a one-year sentence for the theft of $50, $60, $70 or $100 in some other part of the land. Surely, there ought to be an attempt to bring sentencing into some balance, so that all persons have a relatively equal chance to obtain the same consideration in a court no matter in what part of the country they may happen to be. I do not know whether or not this can be accomplished by the process of drawing people into the courts who are in the probationary field or people who may want to help others over a rough period. We do not know whether or not that sort of approach would work. I do not believe we have had sufficient experience in Canada to say it would, but certainly it would be far better to try a procedure of that sort than to allow the sentencing procedure to operate as it has in the past.

If I may, I should also like to mention the question of writs of assistance which are not really a part of the criminal law as such. There is no provision for them within the Criminal Code. However, they are, in effect, search warrants given to peace officers. Two, three or four laws of parliament such as the Narcotic Control Act, the Customs and Excise Act and the Food and Drug Act provide for writs of assistance to peace officers. Writs of assistance are probably not well known outside this House or outside of people who have been on the receiving end of them. Basically they give a police officer the right to enter premises, to break in doors, to search premises and arrest people at any time of the night or day. In other words, a writ of assistance is a blanket sort of search warrant to break into premises, search for whatever is wanted and arrest people without having a warrant, simply on the grounds of suspicion.

Writs of assistance are considered by the Bar Association to be offensive and against the concept of the rights of individuals. I spoke with the former Minister of Justice about this matter when writs of assistance were used by police officers to invade the premises of a number of people in a very small community in northern British Columbia last year. We raised the matter on another occasion when the right hon. member for Prince Albert (Mr. Diefenbaker) was Prime Minister when writs of assistance were used to invade the homes of thousands of people of Chinese origin in this country who saw their papers and everything of a documentary nature seized. When I spoke to the previous Minister of Justice about this, he said he would be removing it but the only thing that has been removed has been the former Minister of Justice. I would certainly think, at a time when some kind of an over-all approach to criminal law is being taken in this bill, although it is not as wide and all-encompassing as we would have liked to see it, there should be a new approach taken to writs of assistance because of the fact they offend against the rights of individuals and in many cases are misused.

• (1640)

The habitual criminal sections, on which I would like to comment, should be removed from the criminal law because, even though there has been a variance in the interpretation and application of the provision over the years, they offend against our fundamental rights in two ways: one, they impose a second sentence on a person for something for which a court has already convicted and sentenced him, and second, they impose a sentence on the individual because of the belief that in the future he may commit some criminal offence. As the hon. member for New Westminster (Mr. Hogarth) said, this section was used extensively. It was used in Vancouver by Stewart McMorran, who was at that time Crown prosecutor and who saw an excellent opportunity from his point of view to lodge all drug addicts in penitentiaries in the lower mainland for the rest of their lives. Some 15 years ago or so, he took occasion to proceed against nearly every drug addict who had been convicted of three indictable offences since the age of 18, most of them for possession of narcotics, through the use of the habitual section. Dozens of them were classified as habitual criminals and lodged in jails for the rest of their natural lives.

I do not support the idea advanced by the hon. member for New Westminster that once a person has concluded the sentence for an offence for which he was convicted he should then be on parole for the rest of his life. If you apply the same reasoning to everybody who has been convicted of any offence, every such person could be on parole for the rest of his life. Presumably this would empty the jails. In any event, it still carries with it the concept of the imposition of additional punishment on an individual for something for which he has served his sentence, and also imposition of punishment into the future for an offence that he might commit. This is crystal ball gazing and is just as offensive as the provision in the bill presently before us.

There is a provision in the bill relating to the Criminal Records Act. Inasmuch as we have opened it up, I would advance another thought with respect to it, one that we advanced when the criminal records bill was before the House a few years ago. Under the act at present a person who receives a pardon under the Criminal Records Act is free from questioning by an employer as to whether or not he has been convicted of a criminal offence for which he has or has not been pardoned. This is only applicable in those employer-employee relationships that come under federal parliamentary jurisdiction. It does not apply to companies operating purely within the provincial field. So any employer who comes under provincial jurisdiction, not the federal labour code, may seek to ask any person who has been given a pardon whether in fact he has been pardoned and whether in fact he has been convicted of a criminal offence. That sort of query offends against the moral force of the Criminal Records Act. Inasmuch as we are dealing in the field of criminal law, which parliament has the right to do under the constitution, we should not hide behind the BNA Act which prohibits us from intruding into employer-employee relationships in the provincial field. If it is valid to say to companies operating under the federal jurisdiction that the state has given a person this pardon and the employers cannot inquire as to whether or not he has a pardon, we should say the same thing to all companies operating under provincial jurisdiction and give to the individual to whom the state has already given the pardon the full benefit of protection throughout his time of potential employment.

May I conclude by commenting, as did the right hon. member for Prince Albert (Mr. Diefenbaker), on the law as it applies to the Indian people. We are in agreement that perhaps the law itself is not so much discriminatory as is the attitude of some courts, some sections of our society and perhaps some members of the police force as well. The Prince Albert penitentiary with which the right hon. member is familiar—at least from the outside, I do not think he has been inside the institution to visit it—contains a population 50 per cent of which is Indian. I heard some statistics the other day, related to me by an individual who said that they had been compiled by someone else, which showed that of the 20,000 people in jail in Canada today—obviously this includes provincial jails as well—60 per cent are Indian or of Indian descent. It is a shocking state of affairs when one considers that the population of Indians as related to the total in Canada is somewhere in the neighbourhood of one per cent or one and a half per cent.

Surely, there is something wrong in the attitude towards the Indian people when we see this great preponderance in terms of percentage end up in our jails. Surely, it cannot be entirely the fault of a group of people classified as Indians that a high percentage of them have greater criminal tendencies than the rest of the population. Surely, that cannot be the inference drawn from these statistics. It is certainly not my thought, and I am sure that anybody who looks at this in a reasonable way would reach the same conclusion. One must also conclude, by the same token, that there is something wrong with the system, the attitude, the administration of justice, and the imposition of punishment by the courts on Indian people who appear before them. As I stated, the Prince Albert penitentiary is half filled with people of Indian ancestry. There is a feeling among many Indian people that the law discriminates against them, and I think it has proven to be the case in some instances.

In the Cariboo area of British Columbia a few years ago, I have forgotten the precise circumstances relating to the situation, an Indian girl had been attacked by some so-called white men. I think she died as a result, although I may be mistaken. As the result of the attack that took place—and I think rape was involved and a variety of pretty heinous activities—the individuals were convicted and received an insignificant sentence, one of them a fine and a couple of years in jail or something like that. We all know that if that situation had been reversed, if it had been a couple of Indian boys who had engaged in the same activities with a white girl, there would have been one hell of a hue and cry for a hanging to take place. But it did not.

I know of an occurrence which took place in another part of British Columbia 15 years ago when a chap was with a young Indian girl. I suppose there was drinking involved, I am not sure of that, but in any event he proceeded to attack her physically. He put the boots to her, and as a result she rolled down some stairs in a rooming house; in effect, he killed her in the process of assaulting her with his boots. He got four years, Mr. Speaker. Just reverse that situation and imagine the result if that had been an Indian lad who did that to a white girl! There would not have been any four years involved. There would have been a hue and cry for a hanging of that individual, or a long sentence at the very least, with lashes.

• 1650

The Fred Quilt affair, I submit, is another case in point. These are ones I know of because they relate to my own province, but you can duplicate this situation in other provinces. Here is another case in point where there is, to be overly generous about it, a convinced attitude on the part of the Indian people in British Columbia that a crime had been committed by a member of the RCMP, and it had been whitewashed. The extremely generous would say that, but this is a situation which took place. This confirms once more that Indian people are discriminated against in their relations with the law. Just a few years ago we had a federally appointed commission on the law and the Indians. It came up with a number of opinions, views and recommendations on courses of action that should be taken. For a few years, we persistently asked what the government was going to do with respect to that report, and the answer we always got from the government benches was, "It has nothing to do with us. It is not our responsibility. Under the constitution, the administration of justice comes under the provinces." They completely wiped their hands of the whole system. They completely ignored the validity of the points made by that commission.

Is it any wonder that there is an attitude that, yes, the law discriminates against the Indians? Is it any wonder an attitude exists that, yes, the white man discriminates against the Indians, since they are on the receiving end every time they come up against the law? It is a shameful commentary if in this day and age we have to stand up in this House of Commons, and admit that such things do exist. It is a very shameful thing for people in parliament to have to admit, but it is a fact. This situation does exist and it needs correcting, as do many of the other abuses that prevail with respect to the application of criminal law against individuals who have committed offences against persons or property but who are not given the other side of the coin, namely, help from society which will rehabilitate the individual who commits the offence.

I doubt that these matters will be cleared up when the bill gets before the committee. I hope they will be cleared up, but I doubt it very much. We know that this is not the bill of the current Minister of Justice (Mr. Lang). He did not conceive it. He did not develop it. It is an inheritance, a legacy from his predecessor. I do not say this unkindly, but this is the normal case with such legislation. But I do hope that he, being a person learned in the law, being a human sort of person with his feelings about people, would take to heart not only what I have said but what members of his own party and other parties have said, so that when he appears before the committee he will not simply be trying to defend the wording of the bill before us, he will not simply be trying to adjust a few words here and there to meet some insignificant objections to the bill, but rather will approach it from the point of view of trying to do something worth while for the total population.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, it is a great pleasure for me to take part in this debate

because I had the unique privilege of acting as the counsel to the joint parliamentary committee which studied capital and corporate punishment and lotteries during three sessions of the parliament in 1954, 1955 and 1956. It is a great pleasure for me also to note the presence in the House this afternoon of the hon. member for Vancouver East (Mr. Winch) who made such a notable contribution to the work of that committee. I am sure the hon. member must look back over his long public career, at the many things he has done, and know that there is a reward for perseverance.

Some hon. Members: Hear, hear!

Mr. Blair: That report, which was submitted in 1956, recommended that corporal punishment be removed from the Criminal Code as a punishment given by the courts, and in this year of grace, 1972, this is being done. The hon. member for Vancouver East will be remembered by all who followed the work of that committee as one who made a tremendous contribution, based upon his long and earnest study of penal reform. I would like to think that we in this House might call this the Winch bill because it owes so much to the contribution he made to it.

Some hon. Members: Hear, hear!

Mr. Blair: There are not many people left in parliament who participated in the long deliberations of that committee. In the other place, the Hon. Senator Hayden and the Hon. Senator Fergusson are still active.

I believe that the committee approached its work in a sceptical way, a scepticism I might say that was shared by its counsel. It was only after three years of careful and painstaking investigation and study that the committee reached its conclusions, and made the major recommendation that corporal punishment be abolished as a judicial sentence. I would like to comment on this report in greater detail, Mr. Speaker, but perhaps I might be permitted to call it five o'clock now.

• (1700)

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Egmont—Consumer Affairs—Larger increase in food costs in Prince Edward Island—Reference to Prices and Incomes Commission; the hon. member for Skeena—Indian Affairs—Request for tabling of Stanbury-Fields report; the hon. member for Central Nova—Transport—Updating of year of manufacture of foreign automobiles—Action to end practice.

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

Suggested Centre for World Problems Study

[*English*]

PRIVATE MEMBERS' MOTIONS

EXTERNAL AFFAIRS

PROPOSAL TO ESTABLISH CENTRE TO CO-ORDINATE STUDIES OF WORLD PROBLEMS

Mr. David MacDonald (Egmont) moved:

That, in the opinion of this House, the government should consider, in furtherance of the objectives of the United Nations, the establishment and operation in Canada of a world centre to program and administer co-operation between and co-ordination of the efforts of experts and institutions in their studies of compelling world issues respecting (a) international relations and peace (e.g. problems of peace-keeping, arms control and disarmament, human rights and intercultural communications) (b) global problems of development (e.g. the use of natural resources, international trade and problems of developing economies, transfers of science and technology, population problems and concerns of youth) (c) the environment and, in particular, the impact of science and technology on the environment.

• (1700)

He said: Mr. Speaker, the motion is self-explanatory and I do not plan to use all the time allotted to me because I would like to hear the views of other hon. members of this House. I also hope that there might be unanimous consent to dispose of this motion, either by referring it to the Standing Committee on External Affairs and National Defence or by passing it.

The concept of a world university does not originate with me but has been suggested on a number of occasions by the largest volunteer organization in this country, the Canadian Home and School and Parent-Teacher Federation. This is a very important association concerned with the greatest activity that takes place in this country, apart from government, the business of education. Since 1965, the Canadian Home and School Association, through a special committee, has given a great deal of attention to the concept of an educational institution which would help to alleviate much of the misunderstanding and dissension that creates at times almost impossible barriers against the solution of international problems. I can recall correspondence with the association as far back as 1967 to the effect that it would be a most appropriate gesture in that centennial year if we could establish a world university so that our celebrations would not merely be self-indulgent but would make a contribution to the larger constituency and larger neighbourhood of the world itself.

I think it is fair to say that in 1967 and shortly afterwards, the possibility of using the Expo site for a world university was discussed. It is a little ironical that the matter was never given serious consideration, and that in recent years the city of Toronto has indicated a strong interest in establishing a world university there. Perhaps this just illustrates the continuing conflict and competition between Toronto and Montreal; the compromise might be to locate such a university in Prince Edward

Island, but I shall refrain from that kind of parochial comment.

The basic concept is well worth consideration because there are any number of initiatives that a country like Canada should take in the interests of international co-operation. We have taken some excellent initiatives in the past, and undoubtedly one of the most important has been the recognition of Mainland China and the impact of that decision at the United Nations and in the United States of America. There are others of which we have been most neglectful, such as our recent peacekeeping attempt and humanitarian attempts with respect to the civil war in Nigeria and our approach on questions related to development in the third world. While we have made many excellent speeches on this second matter, there has been little evidence that we are prepared to take this kind of development seriously.

One thing is clear: we have to gear our response to the challenge of international co-operation to the resources we have available, both material and intellectual. It is naïve to suggest that we can only respond to the call for international co-operation on a plane of basic self-interest because the whole question of self-interest can be defined in many ways. It is my view that Canadians have had and continue to have very deep interest in events that transpire beyond our borders. Only last night, when observing the National News I was intrigued to note that our public broadcasting system featured six or eight news items from other parts of the world before turning its attention to domestic activities. This means that there is a very real interest, and a sense of responsibility in this country, about what is happening abroad. It is not necessary to list those who have contributed time and talent to a host of international agencies. We do this not only from a humanitarian concern but because we realize that we do not live in some kind of isolated existence. I think it was Barbara Ward or Buckminster Fuller who said that we are really together in this fragile spaceship, earth, and that what happens halfway around the globe will have a challenging effect on our country.

The purpose of this motion is to establish that we believe that international co-operation is not some kind of abstract goal, but that it is a very real tool toward the resolution of real problems facing the international community. We are saying through this motion that Canada wants to go on record as offering a mechanism for the international study and resolution of problems that affect all citizens of the world. It is really not appropriate for national communities or countries of the world to develop totally independent approaches to international problems and then hope for some miraculous capacity for independent solutions to blend into one common resolution of the problem.

I think we have already seen how this kind of isolated approach to complex international issues makes it difficult to find some kind of consensus. If the problem is a common one, as is pollution, for the entire developed world, then common priorities and critical procedures must be developed. Within a month or two the first world conference on the environment will be held in Stockholm; but one conference in a fairly formal setting with papers being presented will not move us much closer to the problems that are rapidly developing in the environmental field unless we have a continuing framework within which these issues can be faced and resolved or positions put forward whereby the responsible agencies of government can give them full consideration. I believe the common priorities and critical procedures must be developed. Common information must be available and common resources must be mustered in the battle. Narrow national solutions will remain just that, narrow and limited in scope and effectiveness. I think it is clear that narrow solutions are no longer acceptable or even feasible from a political or economic or even environmental point of view. We have to develop new procedures and new opportunities for the resolution of these problems.

As recently as a few days ago, Mr. John E. Ricketts who has been giving leadership to the international committee of the Canadian Home and School and Parent-Teacher Federation, upon being notified of the motion placed on the order paper, sent the following letter to the Secretary of State for External Affairs (Mr. Sharp):

> Knowing that this federation has been actively promoting the idea of a world university, preferably but not necessarily in Canada, since 1965—

He goes on to commend the motion that I have proposed, and then continues:

> In view of the communications we have exchanged with your department in recent years, you will know that this federation warmly supports the motion, and hopes that the government will act on it.
>
> U Thant's 1969 suggestion for a United Nations international university comes before the General Assembly for the third time—and probably for the decisive vote—this fall. The aim of UN U would be to work with existing universities in all countries to unite the world's academic resources in co-operative search, in a non-political setting, for solutions to world problems.

• (1710)

> All UN member nations, and the university community at large, were invited to express views on the idea. Our last information was that most of the emerging nations have indicated strong approval, but that Japan is the only advanced industrial nation to have done so.
>
> The threats to world existence—from pollution, misuse of natural resources, weapons of mass destruction—have never been more obvious. This Federation again urges the Government to give full support to the proposed United Nations University.

I think it is clear from Mr. Ricketts' latest letter that this will be a crucial and deciding vote later this year. Of course, I am speaking of the vote concerning the matter of the United Nations University. It is sad, even tragic, that the government has not yet indicated its position on the proposal that has been before the United Nations for the past three years. Although United Nations officials to whom we have talked would welcome enthusiastically the support by our country for this concept, that does not mean that we must necessarily become involved in the matter of the location of that United Nations University.

Of course, my motion expresses the hope that Canada may provide the site. I am in favour of that possibility not only because I am Canadian, and in that sense I may be said to express a parochial point of view, but, as well, for another reason. Having visited people in other countries and travelled extensively, I have found people receptive to the idea that Canada can play the role of host country in such an important experiment. The experiment is impor-

tant in so many ways, Mr. Speaker. I am thinking of the number of areas which have been touched on by those who have considered this question. It is important, surely, because it involves the question of arms proliferation and arms control. Today, the disarmament conference in Geneva is one where nations work diligently to bring about arms reduction. But, Mr. Speaker, what of an international disarmament strategy? What is our position there? What of a program that goes further than disarming the present arsenals and looks to the prevention of the buildup of further arsenals. These are the types of wide ranging and creative studies that a centre of this nature could pursue with a scholarly and impartial tone.

In addition to examining problems immediately relating to disarmament, which may be more political than we suspect, the university should also look at long term problems relating to disarmament. The experiment is also important in that it would examine questions of the environment that I referred to a moment ago. We could thereby prepare and formulate an international strategy for the solution or resolution of certain aspects of the international pollution problem. In addition, there is a series of related subject matters involving economics which needs to be considered in that context. Surely, these could be considered, since they involve such matters as the utilization of natural resources.

I suggest, also, that we could thereby consider the whole problem of international trade stability. The question of international trade stability has been of paramount importance to Canadians and their trading partners. We know only too well from our experience of the last eight months just how important that stability is. These problems become pretty significant in a crisis when we must deal with them on a short term basis and provide solutions that do little except meet in part the present, basic problem.

It is ironic that at present a United Nations conference on trade and development is being held in Santiago, Chile. We have sent a delegation to Chile; its mandate is not clear. There has been almost no discussion in this country of what we are to do to meet our responsibility to 80 per cent of the world's population which is struggling to find a role for itself. Increasingly, we have imported less from developing countries and more from developed countries. We seem to be moving away from a position that might offer real trading possibilities for developing countries of the world. Surely, the time has come for us to realize that we need more than short term, stopgap answers. We must plan better and deal with these questions more adequately. In my opinion, these studies could best be undertaken in a world university.

Even at the present we are considering seriously, or ought to be considering, what changes should be made in the charter of the United Nations, in order to make that charter more effective. There has been little discussion in this country about a review of the charter. All the same, that charter review is urgently needed.

When we talk about the world university, we are not talking about a typical, degree-granting institution. We are thinking more of a centre, or a series of centres, in which problems of vital importance for the existence and survival of mankind can be examined. It would not be, as U

Suggested Centre for World Problems Study

Thant suggested, a university in the conventional sense. It would involve a flexible system enabling better co-operation among countries and the better integration of ideas and information. We need, as Mr. Ricketts suggested, a vehicle that will unite the world's academic resources; a vehicle which will complement our own work in this field. Canada's strategic and international position, which in some ways, may be said to be somewhat acute, makes the undertaking of this initiative, in my view, fundamentally important.

Let us examine the reasons as to why this is so. Considering the growing use of resources without plan or rationale throughout the world, Canada's own wealthy position in the world with regard to its own resources may become a source of real difficulty and hostility within the international community. I am thinking not only in terms of fuel resources, and minerals, but in terms of that resource which is perhaps most important to us all, water. We will need to maintain the stewardship of that water in some international context; otherwise, we may find ourselves in great jeopardy. Also, bearing in mind the continuing reliance of Canada on international trade, it is clear that every unresolved problem could be the source of some major trade crisis in future for this country. Canada's own commitment to arms control makes our involvement in the research and resolution of arms control strategies fundamental.

It is even important for us to concern ourselves with an international youth policy. I submit that since our population is basically youthful, our own involvement in international programs concerning youth will be a worth-while and necessary initiative.

So, in essence, Mr. Speaker, the establishment of this centre, of this world university, would be a major step in the resolution of many of our own fundamental problems.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I want to congratulate the hon. member for Egmont (Mr. MacDonald) for introducing the notice of motion before the House and for giving the House an opportunity to debate this most important matter. Unfortunately, people have a tendency to forget the horrors of war when they are not immediately involved in or threatened by war. However, if we are to do something about war and maintain peace, we must act before we are on the threshold of conflict.

In his notice of motion the hon. member suggests that, to further United Nations' objectives, we should establish in Canada a world centre to administer and co-ordinate studies in three area, namely, (a) international relations and peace; (b) global problems of development; and, (c) the environment. Mr. Speaker, I did not interpret this notice of motion as recommending a world university, as suggested by the hon. member who introduced this notice of motion. According to my interpretation, the notice of motion recommends the establishment of an international research centre for peace, development, and the environment, and I will discuss it in that sense.

Since the notice of motion is divided into three sections, I will discuss it accordingly. May I say, first, that I fully support the proposal in part (a) of the motion. It is a sad fact that, in this country and throughout the world, we

spend millions, even billions, of dollars on military research, and almost nothing on research related to peace. In Canada there is the Canadian Peace Research Institute, which attempts to study these questions; but that is a private body with a small budget and it receives very little government support. The Canadian Peace Research Institute was established in 1960, and was the first peace research institute established in the world. Actually, it was the first body to use the term, "peace research". At present, the Canadian Peace Research Institute has eight full-time employees in its office at Dundas, Ontario, and six in its Oakville office. Of these people, only eight are full-time researchers. The rest are office staff.

• (1720)

The chairman of the Canadian Peace Research Institute is Norman Alcock. He has been the main force behind it since its inception, although Alan and Hannah Newcombe have also been very prominent in its operations and have done a lot in the peace research area. At the present time, the only government help the Canadian Peace Research Institute receives is a grant from the Canada Council and a small grant from UNESCO. These are the only public grants it receives.

Some of the matters being studied by the Canadian Peace Research Institute are of the type I would like to see on a much broader basis by a government supported peace research institute, as seems to be suggested in part (a) of the hon. member's motion. Some of the projects that have been studied by the Canadian Peace Research Institute are studies on UN voting patterns and voting blocs, the prediction of war, attitudes on war-peace questions, the economic consequences of disarmament, peaceful nuclear explosions and disarmament, peace-keeping operations, and militarism, a survey on world trends. There are many others, but these are some of the studies being made by the institute in an attempt to understand the causes of conflict and the possible solutions to them.

There are other peace research institutes in the world, but they are very few. Some are privately financed and some are publicly financed. The most prominent one is in Sweden which, by the way, came about as a result of the influence of the privately sponsored Canadian institute. The Canadian institute came first. It prompted the establishment of the Swedish institute which is called the Swedish International Peace Research Institute. The government of Sweden gives the institute a grant of $1 million per year. The institute reports directly to parliament, but is not under the control of the government. It is free to study any matter it wishes relating to peace and war.

There is also an institute in Norway which is called the International Peace Research Institute of Oslo. This institute also receives government support, but not to the same extent as the one in Sweden. In Denmark, there is the Centre for Conflict Resolution which is also government supported. In West Germany, in the last fiscal year, the government provided $750,000 for peace research in universities.

In Holland there is the National Institute for study of Peace Questions. This institute receives a grant of $1 million per year for the government. The government of Holland also provides grants for peace research which takes place in universities. There are other institutes of lesser importance.

The United States, which in many respects is one of the most powerful countries in the world, has no publicly financed peace research institute, although some research is going on in the universities. There is some research in the universities of Japan. On the whole, there is very little peace research being carried out in the world. It is interesting to note that with the commencement of the new university term next September, there will be a PhD course in peace research at Carleton University under the direction of John Sigler. This course should provide some interesting research and material, but it will be on a very small basis.

Let us compare this weak performance, not only in Canada but in the whole world, with research on military and related matters. In Canada, the government has provided in the estimates for 1972-73 a budget of $46 million under the title of defence research. There is another $5 million allocated for emergency measures. It seems strange that we provide $5 million for emergency measures, but hardly anything for peace research which might prevent those being used. If we look at the grants the Department of National Defence provides to private associations in Canada, we see they provide grants of $665,000. For such things as military studies at Canadian universities, they provide $280,000 and $70,000 in grants to rifle associations. There are grants to other types of cadet leagues and so on.

There may be real value in this type of funding by the federal government, but if we can allocate that much money to defence and military research, why can we not do a little more for peace research? According to the estimates, the Department of External Affairs gives major grants to three groups in Canada; $50,000 to the Canadian Institute of International Affairs; $27,000 to the UN Association in Canada and $2,500 to the Atlantic Council of Canada. These are good things, Mr. Speaker, but why can the government not give more money to a group such as the Canadian Peace Research Institute or for the establishment of a government peace research institute in Canada? The record of this government with regard to external aid is much better. I will discuss that later.

The government has already set up the Canadian International Development Research Centre which deals with the points in part (b) of the hon. member's motion. The amount of money allocated for that centre this year is $8 million. I will not deal with what is put forward in the hon. member's motion in that regard, because I think we already have that. If the governments of the world are sincere in their statements that their first priority is peace and their armies are only a means of security if aggression is committed, then surely they should spend a great deal more money on peace research and preventive measures. Governments should put their money where their talk is. If I were not in the House of Commons, I could put that much stronger.

At the present time, the behaviour of world governments is something like that of a man who spends a lot of money on fire insurance, but very little to prevent fires or like governments that spend a lot on medical treatment,

but little on preventative medicine. If we are sincerely concerned about peace in the world, we should know much more about the causes of war and the best means to reduce and eliminate these causes. Those persons who accept wars and world wars as inevitable and, consequently, state we can do nothing about them, are without imagination, foresight or courage. If their attitudes were to prevail, we would never conquer any pestilence, plague or evil. Fortunately, the spirit of man continually pushes forward and great cures and discoveries have been made.

One of the great disappointments of history is that while man has made great leaps forward in science, technology and medicine, there has not been much progress in human relationships, social dynamics, the reduction of violence and the reduction of war. Since 1945, the end of World War II, there have been 113 wars in the world, mostly in the third world. I can document those 113 wars if hon. members want me to do so.

• (1730)

I should like to refer to a document on this point. I have in my hand one of the bulletins put out by the Peace Research Institute which points out that in the 27 years since 1945 there have been 113 conflicts in the world. About half of these were of significant size, duration and intensity, there was slightly more than one every five months and any one of them was capable of provoking a holocaust. Some of these conflicts have been quite large. The tonnage of bombs dropped in the Korean war exceeded the tonnage dropped by all the allies in the Pacific theatre of World War II, and in Viet Nam the tonnage of bombs dropped has been greater than in all theatres of World War II. In addition, the Viet Nam war has lasted considerably longer than either World War I or World War II.

It is interesting to note that weapons deliveries to third world countries in recent years grew twice as fast as the gross national product of those countries. Many of us were shocked when we saw the budget figures for India and Pakistan at the time of the recent war which took place between them. These figures showed that in both countries the amount of money spent on defence and military equipment was more than 50 per cent of the budget.

I should also like to refer to another point made in this research extract. It is pointed out that the world now has a nuclear non-proliferation treaty which seeks to confine nuclear weapons to the big five nations. However, it points out that since 1945 all the killing in the wars I have referred to has been done by conventional weapons. In spite of this, the proliferation of conventional weapons, their spread from the few big countries which manufacture most of them to the many small countries who fight most of the wars, has continued unchecked and almost unnoticed.

Since the end of the war, the number of independent nations in the world has gone from 55 to 140. Only 13 of these manufacture armaments in any variety or quantity, yet 95 per cent of the conflicts since 1945 have been in the poorer countries. If the arms trade had not existed, those wars would either not have occurred or would have been fought with primitive weapons and therefore with much less destructiveness. My purpose in putting forward these facts is to make this point as strongly as I can: if we are sincere in saying that we want to reduce world conflict, we should get off our butts and do something about it. Let us dedicate at least as much of our money to peace as we do to war.

What I have said so far related mainly to the first part of the hon. member's motion which suggests that we set up a world centre to co-ordinate and administer studies with respect to international relations and peace, and especially the problems of peace keeping, arms control and disarmament, human rights, and so on. With regard to part (b) of the motion, as I stated earlier the government has already taken action in this regard and has set up the International Development Research Centre. The budget for the centre provided by the government this year is $8 million. In addition to that, this year the government's budget for CIDA, the Canadian International Development Agency, is $483 million. I think that is significant. The government is doing a very good job regarding international development and I think international development has a lot to do with the reduction of world tension. However, that alone is not enough.

With respect to part (c) of the motion which deals with environmental problems, similarly I think the government has made considerable progress. It has set up the Department of the Environment. It has a research section and many studies are being conducted by the department. In addition, the Canadian government is taking a leadership role at the Stockholm conference. It is possible that the Stockholm conference will recommend that a more permanent structure be set up for dealing with world environment problems, and if that is the case I fully support such a proposal.

I do not think the government can be criticized in regard to sections (b) and (c) of the motion since it has made considerable effort in these areas. With regard to part (a), peace research, if we are serious and are not to be hypocritical about this, I think we must spend a lot more money in this area.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, first I want to indicate my support for the motion put forward today by the hon. member for Egmont (Mr. MacDonald). Basically and essentially it says that we should support the establishment of a world university. Such a proposal is being considered by the United Nations. As the hon. member for Egmont said, to date Canada has not taken a position on the matter. This fact concerns me. If we do take a position and support it in principle, it does not mean necessarily that we will suddenly establish a university in Canada and then have to outline the details and technicalities of such a university. Rather, it is a question of giving support in principle. Apparently the only industrialized country that has indicated its support for the idea is Japan. Many other countries in the developing world support the idea as one in which they are interested.

This seems to me the type of motion that should receive the support of all parties in the House. The hon. member for Notre-Dame-de-Grâce (Mr. Allmand) has indicated his support, and I hope we will not see this resolution talked out as so many of them are. It is for this reason that I do not intend to speak at length and shall make only a few

points. I appeal to the government to allow us, before the hour is up, to pass the motion and I ask that the government, through the Secretary of State for External Affairs (Mr. Sharp), take a definite stand on the question and support it in principle.

The hon. member for Egmont outlined a number of matters that a world university would have to deal with, such as international relations, peace keeping, nuclear disarmament, non-proliferation of arms, and so on. Then he talked about the problem of development in the third world. We are also concerned about environmental problems and problems of science and technology. We in Canada have a great deal at stake in this regard. We must first of all realize that we are a global village, that what happens on the other side of the world has a great impact upon us in Canada. We must interest ourselves in the other peoples of the world and create a better understanding of their feelings, wishes and aspirations. We cannot go back to the old days when each country was isolated from others, formed its own policies and simply hoped for the best.

In light of today's world, international politics and the use of weaponry, national boundaries no longer exist. Neither do they exist in the field of pollution, science and technology. We must accept the fact that the institutions of man are lagging far behind. This is one of the many reasons that so many people in the world feel upset and restless at the type of institutions which man creates.

Another point I must make is that in debates such as this we always hear wonderful speeches containing platitudes about people and what they want do do, but action never seems to be taken. Hon. members on all sides suggest solutions for understanding one another better, yet out of the other side of their mouth they continue talking about the same old policies. For example, in the United States the President is talking of international co-operation, about how the big powers must begin to understand one another. At the same time, he is ordering bombing attacks on North Viet Nam. This type of hypocrisy in the world must cease. Hopefully, a world university would make a contribution toward ending this kind of hypocritical attitude on the part of some of the big powers.

• (1740)

War is big business. We spend billions of dollars every year on scientific research and development of armaments. Countries on each side of the world are trying to develop more sophisticated ways of killing, maiming and injuring others; they are developing more sophisticated napalm bombs to drop on women and children in various parts of the world. There is this tremendous emphasis in our society, yet we do very little to foster peace or international development.

We in Canada could do a great deal in that direction if we really wanted to. We have the defence production agreement with the United States. Certain products under that agreement go the United States military complex and find their way into Viet Nam. In that way our country is indirectly involved in the war in Viet Nam. We should not be a party to such things; we should be spending the money going into that agreement on peace research,

[Mr. Nystrom.]

research into international pollution and environmental problems, promoting world trade, and so on.

We in Canada belong to NORAD. We spend a great deal of money every year on NORAD, but where does it get us? Even some military experts in the United States say NORAD is obsolete and nothing but a waste of money. Why do we not terminate that arrangement and immediately divert the money into projects such as a world university and international development?

We participate in NATO. I question the usefulness of NATO. I say Canada should get out of NATO and concentrate more on international organizations such as the United Nations. I want to make it very clear that this is the direction in which I want Canada to go. Unless we do some of these things, all the speeches we make in this chamber are useless. We talk like nice guys but continue putting money into weaponry to continue the bombing of people in Viet Nam. Unless Canada takes action and gets out of NORAD and NATO by terminating the defence sharing agreements, all our words will be meaningless.

We also carry out research at Suffield, Alberta, in chemical and biological warfare. What is the purpose of this but to develop more sophisticated ways of killing people? This type of research should be terminated. If we really want to put our muscle where our words and our mouths are, we should be doing the things I have mentioned. I know that to many members of the House this may sound like a radical and irresponsible way to go. I do not think it is. I think Canada as a middle power must take a stand such as this. We are a respected nation throughout the world and could provide a great deal more leadership than we are now.

We had an example of our leadership in the recognition of the People's Republic of China. I think we made a contribution there. But that is only a small step in the direction of things we could be doing if Canada became more aggressive and independent in foreign affairs policy, doing something real for the international community.

There are other matters I could mention about a world university and why we should move in that direction. We in Canada, besides considering world problems have a number of parochial matters at stake. Canada has resources that we and other countries want and may need. What will our long-term policy be respecting non-renewable resources? These are questions that could be studied at a world university.

The resource of water was mentioned earlier in this debate. We must consider the question of international trade now that Great Britain and three other countries are joining the European Common Market. We now have Europe, the United States, the eastern and Japanese blocs. Where does Canada fit into this type of trade complex? And what is our future? These are a few of the parochial questions in which Canada is tremendously interested and which could be studied by a world university. For these reasons I support the motion before us.

In a few words I should like to caution some hon. members about one or two situations that may develop if we are not careful. We have a number of institutions around the world studying topics such as I have men-

tioned, including peace keeping, disarmament, etc. The results of many of these studies have had little impact upon the powers that be; they seem to be very aloof. If we do establish a world university we will have to make it our purpose that such a world centre has real impact on the powers that be: it must have relevance to the powers that be, and links with the decision-making people in world society. Such a university should have relevance to and impact upon the peoples of all countries of the world.

Too often under our foreign aid and international development programs we do not consult the people in the developing countries. We consult only the leaders of these people and we make decisions according to the benefits that may accrue to some multinational corporation or to the departments of external affairs and trade and commerce. We tend to ignore the little guy of the third world. It is this person whom we must not ignore; it is this person whom we must consult and help.

With that in mind, I certainly support this motion and our party supports it. This is a worth-while project to put our money into. I appeal to the cabinet and government backbenchers not to talk it out, but to help us on this side, and members such as the hon. member for Notre-Dame-de-Grâce, pressure our Secretary of State for External Affairs into taking a decisive stand for once, putting the muscle of Canada into an approach that is worth while and which, I am quite sure, will count in a real way on the world scene.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, this motion by the hon. member for Egmont (Mr. MacDonald), so far as I am able to understand it, seems to be directed toward the establishment of a centre which would draw together but duplicate the work being done in committees and institutions of the UN and other international bodies. Each of the three great issues—we do not deny for one moment that they are great issues—is the subject of continual examination. It would seem by his motion that the hon. member wants to have all these activities come together into one centre to be established in Canada.

While the co-ordination and co-operation among the many bodies now existing could undoubtedly be improved so that the ultimate results of their studies and deliberations would be more fruitful, I suggest that yet another body is not necessarily the way to do this. It would result in more duplication of the work of others already in the field, and for a long time would not even do that very well.

The hon. member's motion specifies three great issues which are worthy of further research and co-ordination. However, it seems to me that basically the motion is calling for research into what can provide the political, economic and social elements of the peace which the vast majority of the world's people desire. This basic question, probably the greatest, is also the subject of study and research in many countries, Canada included. The UN General Assembly recognized the need for co-ordination in this field in December, 1971, when it passed, by a large majority, resolution 2817. That resolution notes the work done in the field of peace research by national and international institutions, by the UN educational, scientific and cultural organization and the UN institute for training and research.

The United Nation's Secretary General is instructed by the resolution to prepare biennially, and he has already begun to do so, an informative report on scientific works produced by national, international, governmental and non-governmental, public and private institutions in the field of peace research. Therefore, with the co-operation of Canada, since our delegation co-sponsored this resolution, some of the very basic work which the hon. member would have his world centre undertake has already commenced at our existing world centre, the United Nations. I suggest our efforts should concentrate on making more effective the machinery we have already, machinery into which is built an immense amount of experience and expertise, rather than start all over again.

• (1750)

The fact that these three great global issues still defy solution is due not to lack of knowledge and the exchange of information but, rather, to the competing policies and philosophies of the world's states. A Canadian government-financed research centre, however well organized and staffed could—

An hon. Member: Author?

Mr. Guay (St. Boniface): I think I can say it without reading it for your benefit. Such a centre could not very well eliminate all this rivalry. The rival powers could still preclude the possibility of translating the studies of the centre into effective action. It has been said that the United Nations is an accurate reflection of an imperfect world. It is that imperfect world which hinders the furtherance of the objectives of the United Nations. That imperfect world, not the lack of studies and co-ordination, also delays significant action to alleviate the hon. member's three issues of international relations and peace, global problems of development and the impact of science and technology on the environment.

Few subjects can have come under such a degree of interdisciplinary and international scrutiny and discussion as disarmament and arms control. Individually and collectively, scientists, scholars, statesmen and soldiers have grappled with the problem of reducing armaments while maintaining international security. The problem has been one of main concern at the United Nations and in various special negotiating bodies, in particular the disarmament conference in Geneva in which Canada participates. While no one can deny that these discussions include their share of empty verbiage, they also stimulate ideas, assessments and proposals based on substantial international thought and research.

Last year, for instance, the United Nations produced a major report on the economic and social consequences of the arms race. This report was prepared by a group of scientists and scholars from western, Soviet and non-aligned countries, including a distinguished Canadian professor. A Canadian was also a member of a similar team which drew up a United Nations' report on chemical and biological warfare in 1969.

A glance through the annual report of the disarmament conference in Geneva shows that this body's work, though

essentially political, also benefits from solid technical study and analysis. Some of the topics dealt with in recent background working papers include many things, such as employment of ocean-bottom seismographs to improve present detection capability for seismic events and possibly to increase the capability of identifying explosions from natural events as well, aspects of the definition of toxins and a method to determine, in numerical terms, the usefulness of particular seismic discriminations to the political decision problems posed by nuclear test ban control with or without obligatory inspections.

Canada has contributed fully to the technical background of the Geneva discussions. For instance, in 1971 the Canadian delegation submitted papers on atmospheric sensing and verification of a ban on development, production and stockpiling of chemical weapons, and seismological detection and identification of underground nuclear explosion.

In Canada, studies and analyses of arms and disarmament problems are carried on in the normal course of their work by officials of the departments of external affairs and national defence. They are able to keep in touch with thinking in other countries through the usual diplomatic channels and through international conferences, particularly the disarmament committee in Geneva. Moreover, Canadian universities are devoting increasing attention to arms control and disarmament as part of their international relations or strategic studies programs, and are being encouraged in doing so by federal government grants.

Specialists in these fields from the academic world and the public service are continually exchanging views and ideas both through informal contact at home and abroad and at more formal gatherings such as the seminars organized from time to time by the Canadian Institute of International Affairs. This institute has in recent years made a major effort to stimulate research and publication in this general field, and other private organizations take a serious interest in the question of disarmament.

In short, in the field of disarmament there is no lack of interest or activity by highly qualified people who remain well aware of each other's work though their activities are not always co-ordinated through a formal structure. They are making an invaluable, indeed essential contribution toward the eventual slowing down and termination of the arms race. The slowness of progress in this field is not the result of anybody's failure or inability to keep informed but, rather, of an insufficient will on the part of a number of world states to seek resolution of their differences by peaceful means.

I would also like to speak on another matter pertaining to the hon. member's motion. The motion provides an opportunity to focus on a great task which confronts Canada and the other developed and developing nations of the world. Acknowledgement of one part of this problem of importance to all Canadians formed the climax of President Nixon's recent visit. I would bring to the attention of the hon. member that the signing of the Great Lakes water control agreement to begin to restore the Great Lakes did not have to await the formation of a new research and co-ordination centre. Drawing on the studies and recommendations of the International Joint Commission and other bodies, procedures for effective action have been formulated.

The Great Lakes problem is a complicated and expensive one to solve. The impact of science and technology, especially the deleterious effects which these advances have had on environment throughout the world, also will be complicated and expensive to solve. The handling of the relatively local situation in the Great Lakes is compounded by the authorities of several jurisdictions. It is not difficult to project this to the national, hemispheric or global stage to realize that here is a world wide matter which requires maximum co-ordination and co-operation so that the complementary and competing needs and desires of the world's peoples can be met to the maximum degree possible. The achievement of this requires, also, utilization of a vast wealth of data, special studies, highly professional skills and so on.

The Acting Speaker (Mr. Boulanger): Order. The hour appointed for the consideration of private members' business has now expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CRIMINAL LAW AMENDMENT ACT, 1972

AMENDMENTS TO CRIMINAL CODE, CRIMINAL RECORDS ACT, NATIONAL DEFENCE ACT, PAROLE ACT AND VISITING FORCES ACT

The House resumed consideration of the motion of Mr. Lang that Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, just before private members' hour I had an opportunity to pay my respectful tribute to the work in the field of penal reform of the hon. member for Vancouver East (Mr. Winch). I would also like to recall to the House the contributions made by other hon. members, most notably the late Don Brown, the former member for Essex West. That hon. member, with Senator Hayden, was joint chairman of the Senate and House of Commons committee which considered this subject in the 1950s.

A former prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker) this afternoon indicated how difficult it is to discuss rationally the question of crime and punishment. He made it perfectly clear that

those who oppose corporal punishment do not do so out of any false sentiment. The hon. member for Prince Albert and others who oppose the imposition of corporal punishment do so for the simple reason that this form of punishment has not and will not do any good.

Many people in our society linger under the impression that what is important in restraining and deterring crime is the severity of punishment, but we know from history that this is not so. The records of the nineteenth century tell us of little children having been hanged for theft, of men and women having been brutally whipped for committing very small offences. In general, the early part of the nineteenth century was characterized both in Europe and in North America by great violence, and these severe punishments, far from deterring the commission of crime perhaps escalated it.

Over many years society has found out that the real deterrent to crime has been the certainty of apprehension and of conviction at trial. This is a lesson which it is difficult for many people to accept, because it is much easier to believe that there is a quick and simple solution to crime, that we have it within our power to do something which is relatively easy and inexpensive in order to prevent the commission of crime. But in fact, as every member of the House knows, the control of crime in modern society will cost money and the devotion of a great deal of governmental effort.

To control crime we need better policemen, more respect for police forces, better rapport between the police and the public, an attack on some of the basic social causes of crime, better courts, more facilities, more judges and—I hesitate to say it—perhaps even more lawyers. The whole process of trial should not be so drawn out and subject to all kinds of unusual accidents and hazards. The total process should be carried on rationally in the interests of defending society and also of protecting the rights of those charged. I can recall that when the report of the committee was prepared in 1956, a senior senator on the committee remarked to me that it marked "the end of an illusion", the illusion that there is an easy way out, a simple way of dealing with serious crime.

• (2010)

I should like to make one or two comments on the merits of the longstanding discussion on corporal punishment in this country. I commend, for the consideration of hon. members, the report of the joint Senate and House of Commons committee representing, as I said earlier, three years of work during the course of which the committee heard expert evidence on the subject not only from Canada but from Great Britain, the United States and elsewhere. I think at that time the committee's investigation constituted something of a novelty in our parliament and still stands as a great accomplishment in terms of parliamentary inquiry.

One thing the committee noted immediately was that corporal punishment had become a very rare event; it was applied only in a minute percentage of the cases where it could have been applied. In much less than 1 per cent of the cases where corporal punishment could have been imposed was it actually applied in the middle 1950s, and we know that its use as a punishment since that time has become increasingly rarer. We might ask ourselves why this should be. In asking that question we are faced with the formidable answer that the collective judgment of those who are most concerned with the administration of justice, be they police, courts, penal officials, in fact experts of every kind, is that it is a useless punishment. This is why corporal punishment is rare. Its imposition has not been reduced because of any sentimental impulse on the part of people charged with the administration of justice, but simply because long experience has taught them that it has done no good.

The hon. member for Edmonton West (Mr. Lambert) said in this House last Friday that the retention of corporal punishment was necessary to deter the commission of violent crime. He thereby committed the illogical indiscretion of failing to explain why violent crime had occurred even when this type of punishment remained in the Criminal Code. It is a punishment that has almost grown out of date because of the judgment of people that it is useless. In 1956, the committee noted that in most countries corporal punishment had been abandoned and that before it had been abandoned it had ceased to be used. The committee commented as follows:

> In this respect, Canada would appear to be in line with other democratic countries which abandoned corporal punishment after its use had steadily decreased over a considerable period of time.

Another feature of the discussion on corporal punishment is the suggestion that it might have special utility for young offenders. This suggestion was made last Friday by the hon. member for Oxford (Mr. Nesbitt) and it has been repeated on many occasions in the course of discussions on this subject. It has been suggested that a quick spanking or caring would have more effect on a young offender than his being put in prison or being subjected to other types of treatment. The committee anticipated the argument of the hon. member for Oxford because at one stage its report states:

> Several witnesses suggested corporal punishment might be particularly effective against this type of offender—

They had been speaking about leather-jacketed hooligans.

> —because it would humiliate him in the eyes of his companions and take away the false glamour attached to a person who had been unaffected by lesser punishments.

However, the committee then noted the reservation which was expressed even by those who advocated this course of action. I quote again from the report at page 44, where people advocating this kind of treatment for young offenders stated:

> Some form of pre-sentence investigation and report was suggested which would take into account physical, mental, emotional, environmental, and other relevant factors in the background of the offender. This was considered to be necessary, particularly in the case of young offenders who had not proven amenable to other methods of correction and who might be so constituted as to suffer grave harm from the infliction of corporal punishment.

Wherever the committee pursued the arguments for the retention of corporal punishment it came to the conclusion, after serious investigation of the available evidence and the opinions of experts from all over the world, that those arguments would not bear up. Perhaps it would be most helpful if I were to quote one of its general conclusions. This passage is taken from page 45 of the report:

Generally, in relation to all types of offenders, those favouring abolition argue that corporal punishment could produce no quick cure and was apt to do positive harm. The rarity of the sentence in Canada meant that its imposition was inconsistent and inequitable, a factor recognized by representatives of the police. Its imposition, under present conditions, depended upon the views of particular judges and, perhaps, also the swings of public opinion; and sometimes bore little relation to the nature of offences or offenders. It was considered a degrading punishment; and, since it was more likely to arouse feelings of resentment and revenge, it was urged that public humiliation of offenders could not be a proper foundation for their reform. To bring out the best in young offenders, better methods of treatment could be employed and, to protect society from recidivists and sexual offenders, isolation and segregation could be used to greater effect. Although no specific evidence was produced, the opinion was expressed that corporal punishment might adversely affect prison officials either by bringing out sadistic impulses or discouraging the application of positive reformative measures.

Thereafter, the committee considered in detail the pointed question as to whether or not corporal punishment deterred the commission of further offences by persons to whom it was applied. At one stage in the committee's investigation, on its behalf I personally investigated the cases of approximately 20 people who had been subjected to corporal punishment. I interviewed them all. My distinct recollection of this experience was that corporal punishment could not be said to have done the least bit of good for any of those men. In fact, I could well remember, many years after the event, that in describing what had happened to them their eyes blazed and the hair on the back of their neck raised. I remembered how bitter they became.

• (2020)

I accept entirely the view of the committee that corporal punishment, far from deterring the commission of further crimes by people to whom it is applied, is much more likely to create a situation in their minds which will make reform more difficult and a continuing criminal career more likely. The committee also considered in great detail whether there was any evidence that the presence or absence of corporal punishment in general had any effect in restraining the commission of crime. Although the view of many people may be that severe punishment such as corporal punishment might have this effect, certainly it does not stand up under investigation and the committee concluded that corporal punishment does not exercise any unique deterrent effect in addition to that provided by other methods of punishment.

Mr. Speaker, my purpose in going through the committee's report is to indicate that this matter has been seriously considered by parliament, and that a very superior parliamentary committee representing both Houses many years ago found that corporal punishment as a judicial sentence did no good and recommended its abolition. I think that if we accept the recommendations contained in the bill before us, and abolish corporal punishment, we will accomplish a great legal reform.

I should like to mention that there is a difference between the recommendations of the committee of which I have been speaking and the bill. The committee recommended the abolition of corporal punishment as a judicial sentence, but it did not recommend its abolition as a punishment in our penal institutions. The reason was that at that time the Commissioner of Penitentiaries and his staff considered it necessary to retain this form of punishment as an ultimate sanction in the preserving of discipline in penitentiaries. The committee, although accepting that view, was of the opinion that it should be used only rarely, in special circumstances and under conditions of complete control. The committee recommended, for example, that it should not be used except with the express permission of the Commissioner of Penitentiaries.

The result has been that over the years the use of corporal punishment as a method of discipline in our penitentiaries has decreased. As the hon. member for Broadview (Mr. Gilbert) pointed out in his address last Friday, the former commissioner of penitentiaries, when giving evidence to the justice committee a year or two ago, expressed the view that it was no longer necessary as a disciplinary sanction in penitentiaries. Therefore, the recommendation contained in this bill, that corporal punishment be abolished both in the judicial sense and as a form of punishment in our penitentiaries, seems to be supported by the evidence and the experience both in the courts and in the penal system.

Mr. Speaker, at the beginning of this address I said that society is concerned with the rise in crimes of violence and violence in general. Not unnaturally, people in society seek to find quick solutions to these problems; they seek easy answers for violence and crime. But I suggest that there are no easy answers. Certainly, the least effective of the answers suggested is that of severe punishment, such as corporal punishment, because it has no good effect. We do ourselves credit in facing up to this reality, and perhaps we can lead the people of this country to a better understanding of the fundamentals of our society. If we are to have less crime and less violence, the social causes of crime must be attacked and, as a country, we must be prepared to spend far more money and devote much better people to the control of crime in our police forces, in our judicial systems and in our treatment systems.

Mr. Speaker, I have spoken of only one aspect of this bill but I have listened with great interests to the comments of hon. members on all the other subjects, including aerial hijacking about which I have had deep concern. I hope that this bill will shortly be referred to the committee so that it can be considered in detail, brought back to the House and enacted into law.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the House is now dealing with Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act.

Mr. Speaker, no human need is more essential than that of individual security, no desire more instinctive than that of being free from fear. If one does not feel secure at home or in the street, if one is threatened—by an agent of a police state or by a criminal or even by discriminatory economic forces—one is not safe any more. In that sense, the legendary freedom of the Canadian people is eroded more and more every day.

Social disorders, bludgeon laws, undue union thrusts, violence, increased discrimination, the frustration felt by more and more citizens in the presence of the enormous wealth of this country, such are the characteristics of a situation that is painful to describe when one knows that our ancestors always stood with such conviction for freedom.

In the face of those modern problems, to provide protection which is the basis of freedom and security is the first duty of a government in the judicial field. Now, today, more and more people question the judicial power. To quote but one example, I say that the too great influence of party politics and money in the administration of justice have been the cause of a greater and greater lack of confidence of the people in the judicial power, which is something very serious.

The appointment of judges is often a matter of politics. The same can be said of the bail system, which often enables the rich to come off well and causes the poor to rot behind the slow administrative process of justice.

• (2030)

Finally, to be free as well as secure, one must have some financial security, which, unfortunately, is the case of fewer and fewer Canadians.

This explains the feelings of frustration, of dissent, of violence, which are not only modern social phenomena, but mostly the result of a provoking economic policy which leads us to obvious social injustice. That is why we must strive after a policy of fair distribution and try to eliminate those understandable feelings of frustration.

Mr. Speaker, there is a great deal to say about the whole concept of justice. Let us say right away that an incomplete and partial revision of the Criminal Code, as proposed in the bill before us, does not necessarily mean a reform of justice. We shall have to consider it at length and go much further.

By the way, does the minister know where we are heading with this minor reform? The criminal law must be a changing and evolutive tool of social order, and I am disappointed when I realize that instead of going all out in that direction, that goal, the government is satisfied with minor reforms, except for clause 24, which abolishes the additional punishment of whipping.

This is a very good measure which comes, once again, too late.

Bill C-2 is a kind of omnibus bill, dealing with several matters, such as the breathalyzer false alarms, conditional discharges, and so on.

Mr. Speaker, I shall try to deal with some of these points and make a constructive criticism.

Insofar as conditional discharges are concerned, I shall refer to new clauses 545 and 662.1 of the bill. In short, the government proposes to broaden, once more, the Parole Act, in order to make it more flexible and workable.

The concept of the public interest is also invoked in those two sections and it is stated that parole will be granted in cases other than those previously provided for where the interests of the accused are not contrary to those of the public.

That is a new concept in this act on parole, but no definition of public interest is given, which can lead us to asking ourselves questions.

In this connection, I shall bring up a point at this time. On the one hand, the government broadens the act on parole to include other categories of accused while, on the other hand, the same government does not set up any mechanism for the control, the probation or the rehabilitation of the accused discharged either conditionally or unconditionally.

Mr. Speaker, I have statistics on this in my office, but off-hand one can surely say that every parole officer must deal with at least 20 to 30 criminals. Surely then he cannot deal with each prisoner to whom parole is granted, either conditionally or unconditionally, on an individual, human and personalized basis.

And so, Mr. Speaker, we read the type of news recently published in the *Gazette* to the effect that the crime rate is increasing in Canada, that experience with parole is more or less satisfactory, more often than not, unfortunate, and that a system of control, of review, should be adopted in that field.

Who makes up that Parole Board? Competent people, people who are interested in that field? It does not comprise more than ten members who simply travel across Canada, through areas they know more or less, and who often make decisions that are contrary to that of the judge, so that in many cases the work accomplished by the Parole Board renders that of the judge useless. And so the lack of planning and co-ordination becomes evident.

Mr. Speaker, if the government wants to broaden the law on parole, it will have to set up, in due course, a control or probation mechanism for each prisoner, to allow for his case being followed.

I have personally visited some prisons and the Social Welfare Court in Montreal. I have met some judges, I have talked with them and I have attended hearings. What I have seen is absolutely incredible, indeed it is an indescribable chaos. There are some people who are endeavouring to administer justice as best they can in spite of the bureaucracy, inadequate legislation and the lack of a rehabilitation system, as a result of which the same judge constantly sees the same individuals from one generation to another. This shows, Mr. Speaker, how our crime prevention system is inadequate.

To give you another quite typical example, I have always wondered why the parole legislation could not apply to young delinquents. For a criminal who has been condemned eight or ten times, I have data published in *Hansard* in reply to a question of mine to the Minister of Justice. After being condemned more than 20 times, some criminals re-apply for parole and the Board grants their request. They are hardened criminals; I should say professional criminals.

However, a young delinquent, after his first or second offence, is not eligible for parole. Nevertheless, if there is someone who would have some chance of being rehabilitated, of straightening up, of becoming respectful of social order, it is that young man. But instead of that, he is jailed with other young people, sometimes even with hardened

criminals and when he is freed, he is at least twice as bad as before.

Mr. Speaker, those prisons or detention centres are practically crime schools and it is sad to note that no immediate or realistic step is taken.

Parole is granted to a hardened, professional criminal, while a young first offender will rot in a detention centre with homosexuals, criminals guilty of assault and battery, burglary, attempted rape, etc. When he is freed, this youngster is briefed about ways to commit crimes. He has been living in this. No one cared to rehabilitate him in a very personal way. Finally, we make a criminal out of him.

I will remind the House of an unfortunate incident which took place in Hull. A criminal, whose name I cannot remember, killed a policeman sometime ago, in the city of Hull. This same criminal had been taken under probation by the brother of the policeman who was killed. This indicates how difficult it is to rehabilitate a hardened criminal, even when he is given very special and personal care.

So, what do we do with our young offenders? If it is so hard with hardened criminals, what are we waiting for to help these youngsters who, very often, appear before the Welfare court judge, precisely because they have not lived in a good family circle, because their parents lacked money, or for any other kinds of reasons? What do we do? Absolutely nothing. Petty reforms with a lot of publicity, and that is all!

It seems that we lack logic. If we are truly concerned with justice in Canada, we must tackle this problem without delay.

Mr. Speaker, even if we have fair laws, the best judges, the best judicial system in the world, if the people who enforce the law—I mean the police forces, among others—do not enjoy the confidence of the authorities and are put, by the political power, in positions such that they can give even give rise to violence, in short, if morale among our police forces is low, it is useless to think that justice will be improved in Canada, no matter what legislation is introduced.

• (2040)

And that relates to the problem of capital punishment.

A few years ago, in Victoriaville, officer Collard was called to the scene of a crime with another policeman in order to arrest the perpetrators of a burglary. Not only did the bandits escape but they fired at the policemen. In fact, officer Collard lost 12 months of work, because of the wounds received on that occasion. The bandit was jailed, he applied for parole and our very intelligent and very brilliant Parole Board granted the parole without imposing any control nor appointing any probation officer. The same man, a little later, commits another burglary in Sainte-Thérèse-de-Blainville and kills another policeman.

Then, policemen will be told, enforce the law, get closer to the people, go out and risk your life.

Mr. Speaker, on the one hand, our police forces are asked to risk their lives for the welfare of society, while at the same time nothing is done to administer justice properly. What is the use of chasing a criminal if, once he is arrested, he is immediately released without probation or control? What is the use of police forces if justice is not administered logically, in spite of the amounts spent to track down criminals?

Mr. Speaker, I believe that that is a basic problem.

A policeman in Drummondville, in the riding of the Minister of Industry, Trade, and Commerce (Mr. Pepin), who is not here at present, is crippled for life; he uses a wheelchair and he cannot work. Why? Because he went to the scene of a crime, tried to arrest the criminal and was fired upon. The criminal was caught a little later and released under the rules governing the famous Parole Board.

An hon. Member: That is part of the job.

Mr. Fortin: Why should this or that police officer or police corps be required to show concern, courage and good will in their work when justice is not administered efficiently.

This does not necessarily mean that capital punishment should be requested in all cases involving criminal law. It means that the time has come for the administration of justice to be logical. If it is worth while to allot money to the tracking down of criminals and to their rehabilitation, to the application of laws, to the maintenance of police services which are becoming more and more expensive to operate, it is certainly worth while to tackle this problem and follow up on the convicts afterwards. Every possible means to rehabilitate them should be taken, if the majority wishes so. But at least let us take these steps rather than fail in our task as happened with the Minister of Justice (Mr. Lang) and the Solicitor General (Mr. Goyer) with respect to the National Parole Board. The Solicitor General, I suggest, acts something like a clown. When during one week-end he releases prisoners who all do return to jail, he says: My program is an excellent one. During the following week-end, some of those he has released fail to come back and then he says: The Board's program is not that good; they are to be blamed. When results are good, he gets the credit; when they are not, he blames the Board. But whatever the outcome, the Solicitor General is never available. He is satisfied with the publicity made around his successful week-ends. When there is failure, he sinks his head in the sand like an ostrich and dares not face the problem.

Mr. Speaker, it follows that the population is asking questions about the administration of justice. In fact, people want politics to be divorced from the administration of justice in Canada. Canadians would like to see some measure of responsibility in the enforcement of laws and some respect for the Criminal Code.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member for High Park (Mr. Deakon) seeks the floor.

Mr. Deakon: Will the hon. member accept a question?

Mr. Deputy Speaker: The hon. member has asked whether the hon. member who has the floor will receive a question.

[*Translation*]

Mr. Fortin: But, of course, Mr. Speaker.

[*English*]

Mr. Deakon: Mr. Speaker, can the hon. member tell the House the percentage of those who have been released on parole or on visits and who have not returned, or have done something wrong while out? What is the percentage compared with those who have returned?

[*Translation*]

Mr. Fortin: Mr. Speaker, I don't have these figures on hand, and rather than quote a figure of which I am not sure, I prefer to send this information to the hon. member who is asking the question. If he is genuinely interested, I shall send him the documents that the Solicitor General distributes to all members. However, the statistics are there to prove the point.

There is no doubt that in the case of some criminal offenders, it is worthwhile to try everything to rehabilitate them. I would even be inclined to believe, Mr. Speaker, that in most cases, since they are human beings who may have made one, two or three mistakes in their lifetime, we have the duty to respect not only the law but also the individuals. But, this means also that the government is not afraid of assuming their responsibilities and taking all available means to protect society.

Actually, the background of all those problems is the same. When you go to the Welfare Court—and I invite my colleagues to do so—and meet young delinquents, you realize that most of them are there precisely because the family environment was either totally lacking—they are children who grew up in the streets—or rotten to the core. When the family, for financial, marital or other reasons cannot assume its responsibilities toward a child, more often than not he will become a delinquent.

Furthermore, the system of rehabilitation of young delinquents is inadequate and practically inexistant, first because of a shortage of probation officers and second because the Parole Act cannot be applied to these young people. For several similar reasons, the centre eventually becomes a school of crime.

When the family and society have failed to rehabilitate a young delinquent, should we convict him, when we all share the guilt for that situation?

I suggest, Mr. Speaker, that the problem of young delinquents is now the most urgent in the field of administration of justice in Canada and that it is inacceptable that today nothing is being done about it. Even the co-operation which should take place between provincial and federal governments has become inexistent.

I should like to say something else about the bill: there is to be in the near future a review of the abolition of capital punishment.

The hon. Minister of Justice has promised repeatedly that a debate would be held in the House on this issue, giving all hon. members an opportunity to speak for or against capital punishment. Mr. Speaker, I personally carried out a survey in my riding. I sent out 17,885 copies of a questionnaire to families, asking them: "Are you for or against, give me your opinion."

Frankly, the response from those people was extraordinary. Indeed I should appreciate our having an opportunity in this House to tell the government what the people of Lotbinière think of this issue, of social order and justice in general. For that, Mr. Speaker, the minister will have to stop promising a debate on capital punishment and grant it. Let the government stop putting it off indefinitely and give hon. members an opportunity to express the views of their constituents in this House.

All my colleagues have made similar inquiries and, needless to say, Mr. Speaker, opinions differ. How can it be otherwise? But precisely because this is a very important subject on which opinions differ, we must hold this debate in the House of Commons and deal with this issue immediately.

• (2050)

Mr. Speaker, I should like to conclude my remarks by stating that it is an undeniable fact recognized by all members that criminality or the crime rate in Canada is increasing.

There is a second thing that must be said: the cost of the administration of justice in Canada is soaring.

There is a third thing that must also be said: movements of violence, frustration, dissent are increasingly serious in Canada, are also increasing.

Lastly, Mr. Speaker, the crime rate among the young is rising alarmingly and distressingly.

These are four facts that, if related, point to a common source, a common problem. When you ask the government to establish more intelligent and more adequate rehabilitation systems, when you ask it to provide more adequate structures and equipment for the administration of justice, the government replies that it lacks money.

Actually, if rehabilitation is not more advanced in Canada, Mr. Speaker, it is because we have no money. If there are so many criminals in Canada, it is simply because wealth and poverty live side by side, and that such flagrant injustice causes people to revolt, commit crimes, and so on and so forth—

This past week-end, the Minister of National Defence (Mr. Benson) announced that members of the Canadian Armed Forces would be instructed in riot prevention and control methods. This, Mr. Speaker, is another problem of modern times. All of this results from the fact that there exists in Canada—we shall have to recognize this one of these days—a basic economic problem; it is not because our Bill of Rights and all our other legislation say that "all Canadians are equal", or that it is written in our Criminal code that "all citizens are equal and will be treated as equals before the law" that we must believe that they actually are. For they are not, Mr. Speaker, and to believe otherwise is to delude oneself!

We all know that poverty and unemployment prevail in all parts of Canada. We all know that many families who depend on social welfare hand-outs cannot make ends meet with their meager monthly allowances.

In other words, Mr. Speaker, if the Canadian family—the basic unit of our society—is deprived of the necessary financial means of survival, it will continue to break up more and more as it has done over the past 10 years,

which will unavoidably result in an increased criminal index, in spite of the considerable amounts of money we may invest in the rehabilitation of criminals and the administration of justice.

Mr. Speaker, this reminds me of some sort of poultice on a wooden leg. Instead of dealing with the problems which generate criminals who, because of their utmost poverty and destitution, are induced into stealing, rebelling and joining protest or violence groups, the government will rather tackle the sequels of the problems such as the rise in the crime rate. Then, what do they do to reduce this rate? Criminals are let out on bail and without being rehabilitated so much so that poverty and frustration continue to increase in our society. In final analysis, the crime rate is rising and those criminals freed on bail continue to be criminals.

I wish to refer my colleagues to answers given by the former Minister of Justice to questions which I had put on the Order Paper and they will then realize as I said before, how this can be so ridiculous.

Criminals of the type we find in Kingston's penitentiary, Mr. Speaker, have been convicted more than 20 times and have been paroled after their twenty-first conviction.

In other words, the Parole Board is sheer window-dressing on the part of the government which hopes to conceal his inability to correct the situation concerning the administration of justice. It is more or less a means of politely getting rid of criminals while keeping a good front under the prextext of respecting the human being.

There being no probation and control methods, criminals are left to fend for themselves. It follows that the crime rate goes on increasing in Canada and the situation keeps on worsening.

Mr. Speaker, in short now is the time to keep politics out of justice and to have all citizens treated equally before the law. The bail system should be entirely revamped, as I said at the beginning of my remarks. Imprisonment does not last very long for the well-to-do and they finally get away with it. However, the penniless must wait because of the slowness of the administrative process because they have no money to put up for bail.

In the field of justice, money is becoming an important factor. If it is true that all Canadians are equal and can enjoy freedom and security, the government should start by setting up some sensible and modern financial machinery to meet the probems of a modern society through distributive justice.

Secondly, the government should set up at all costs a rehabilitation and probation system for all criminals likely to be rehabilitated.

Last but not least, the government should take steps as soon as possible to rehabilitate juvenile delinquents who are perhaps the most neglected and who most need our attention.

In fact, those people cannot make themselves heard and it is our duty as members of Parliament to defend them.

I urge the Minister of Justice (Mr. Lang) to look into this problem and to take the steps required to put some order in this system.

[Mr. Fortin.]

In conclusion, I would point out that the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Ouellet) made not only an offensive but a dishonest remark about Créditiste members.

The same member over the last three years, has risen in his seat exactly 14 times, and he now takes the liberty of making derogatory and dishonest remarks about his colleagues. I think that if his constituents knew that over a period of three years, even as parliamentary secretary, he spoke only 14 times, while the Créditiste members spoke on average more than twice a day, they would realize that government members are more interested in indulging in petty politics than in actually governing the country.

Once again tonight, he is conspicuous by his absence as usual. That is why he did not manage to speak more than 14 times in three years.

Mr. Gilles Marceau (Lapointe): Mr. Speaker, I do not think it would be approriate to deal at length with the bill now before us.

As a member of the legal profession and of the Committee on Justice and Legal Affairs, I simply want to state a few general principles which seem to underlie this legislation.

The bill before us purports to strike a balance between the maintenance of order and the fair treatment to be meted out to offenders. We should avoid a treatment that is imbued with a spirit of revenge. It should instead be characterized by the wish to rehabilitate the accused. Still, that balance is difficult to achieve, since the principles involved are to my mind of equal importance.

• (2100)

I must admit that this bill arouses both fear and hope in me.

It arouses fear because it seems to grant exceptional importance to those who break the law, or who are willing to do so. Of course, I do not claim that those who have made one or two errors are not entitled to some compassion and justice. But I have noticed that often the funds spent on their rehabilitation are so considerable that those who respect the law, who make it their duty to be citizens respectful of the freedom of others, are at times deprived of the money they would need to further assist the society in which they live.

I remember that not so long ago, in the case of a local initiative, I had strongly recommended the launching of two projects: Cinébec and the Conseil des parents. But these two projects have been turned down. Sometime, certain people in my riding—and I think that this is the same in others—say: You are spending $10,000 in order to try and rehabilitate a convict, and when some people submit respectable and honest projects, you refuse to grant them the required credits.

I think that it is time, if we want society to find again its fundamental values, as well as the wealth that has made it into what it is now, that policies tend toward greater assistance, for those who work modestly but honestly in our society. Those are the middle-class people, who see their taxes rising all the time. Those are also the aged who receive only $135 or $255 a month those who in fact are

the backbone of society, and who are too often neglected because of the wrong-doings of some people towards whom I do not want to be unjust because they are not always entirely responsible for their actions. Nevertheless they have violated the law and have acted towards society in such a way as to surely deserve some punishment.

Just the same, Mr. Speaker, I think that priorities should be set up sometimes. And I must say that the bill now being considered—this may be a source of hope for me, as I said earlier—includes excellent provisions which, in my opinion, are bound to be satisfactory to us.

For instance, when it is provided that a suicide attempt is no longer an offence under the law, I think that this is quite normal, and should have been enacted many years ago. In fact, people committing such an offence are obviously sick in their minds, and putting them in jail will never offer a solution to their problems. I think that anybody will agree on that.

Added to all this, there is a very good provision with which I am genuinely pleased. In my profession, I have often had to defend people charged with driving a car while under the influence of liquor. Their driving permits were taken away from them, and could no longer earn their living.

Today, the law has become more lenient because it considers that not only the one who infringes the law must be penalized in a certain way, but also that we must not deprive the family of its sole breadwinner. As a matter of fact, being deprived of his driving licence, the accused lost his job and was no longer able to earn his own living and that of his family. This provision of the law that allows an intermittent sentence is, in my view, a great improvement, and I think it will be well received by all the right-thinking people.

There is also the question of the National Parole Board. And on this point, I would be tempted to agree with the comments made by the hon. member who spoke before me. I believe, Mr. Speaker, that we would not have to vote on the re-establishment of capital punishment if the National Parole Board was playing its role better. I believe it must be recognized—and I should like my criticism to be constructive—that all too often those who benefit most from this Board are the most hardened criminals. I have personally had the opportunity to defend cases where in my opinion the accused were worthy of consideration. They were first offenders soliciting parole to whom this privilege was denied. I knew on the other hand that hardened criminals, with heavy records, were able, by means unknown but deplored, to obtain parole and thereby returned to society where they committed new crimes which brought them back to jail.

I believe the Parole Board, which is an essential agency, should be restructured and that it should really fulfill the purpose for which it was created, parole being limited to cases where there is a real likelihood of rehabilitation.

The matter of capital punishment will, in my opinion, be much less serious and it should be easier for us to arrive at a decision in this regard.

Mr. Speaker, the Parole Board might be one of the most important problems but I trust that its efficiency will be improved in the not too distant future.

Mr. Speaker, I think that this bill which has been in preparation for nearly a year provides some solutions. For instance, I was favourably impressed by the comments of my friend the hon. member for New Westminster (Mr. Hogarth) this afternoon on the clause that provides that a judge after a trial or an admission of guilt can refrain from imposing a fine or a sentence of imprisonment on an individual who has pleaded guilty or has been declared guilty.

In my opinion, it is wrong to have the bill not prevent the individual from being convicted because if the person concerned does not deserve a conviction, I cannot see why he would deserve having a criminal record when one considers its importance and implications. In spite of the fact that the new Criminal Records Act provides for the destruction of a reocrd after a period of five years, during that time the record of an individual may be a millstone around his neck which limits his possibilities for employment and often excludes him from taking any active part in society.

I should have liked—I shall discuss this matter in committee—the bill to go still farther, because, some highly technical offences appear to have been committed. I remember, for instance, the case of this man who now has a criminal record because during a hunting season, he had kept in his locked car a loaded gun with both locks in the "safety" position. I find it highly ridiculous that this man's life be affected by a criminal record which may limit his activity and prevent him from playing an important part in society.

This bill, Mr. Speaker, puts an end to the use of the lash. I think that everybody agrees that corporal punishment is not a human way of making those people guilty of errors pay their debt to society. I think it is pointless to discuss it any further; we are happy for it. It does indicate that the government has made a step further, making a move for which the minister should be commended.

Mr. Speaker, I should like to conclude these comments by saying: that this bill which is immensely important, must not lead us to forget that the Criminal Code, as it is, needs to be overhauled and I hope that the Law Reform Commission of Canada will enter into action as soon as possible, in order to propose a law better adjusted to our modern needs and written, I hope, in a clearer language.

People are often complaining and rightly so that the words used are often incomprehensible and that, in a certain way, they lead to injustice. I hope that the Law Reform Commission will accomplish its work in a competent and fair manner and that it will look for ways to improve the Criminal Code so that it will meet the present needs.

Mr. Speaker, as I was saying a while ago, I hope that this proposed legislation which is excellent and which meets with my approval will not restrict the money put at the disposal of other honest and thoughtful citizens who are playing an active role in society and within the framework of the Youth Opportunities Program. I would hope that those who have submitted projects will not for ever be refused the money needed for the realization of their projects because it has been used for people other than those who really need it.

The Acting Speaker (Mr. Boulanger): Order, please. I regret to interrupt the hon. member but his time has expired.

• (2110)

[*English*]

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, as a lawyer I feel it necessary to become involved in this debate. On the other hand, I do not wish to be repetitious because my colleague, the hon. member for Halifax-East Hants (Mr. McCleave) has put before the House the position our party feels it should take. I think he should be commended for the argument he elaborated and placed before the House, because it showed a considerable amount of thought and a contemporary thinking. In all fairness to the government, I believe it is moving in the right direction in this regard also. I also find it extremely important to relate our social ills to crime because it seems to me they have been related for some time.

I believe it would be wrong for us to think that the bill which is before us amending several sections of the Criminal Code, the Parole Act, and so on, is a panacea for what one could call domestic tranquility, in terms of violence. I wish to place on record some thoughts I have garnered as a result of being in possession of an extremely important report tabled in 1969 by a commission in the United States.

In order to give some credibility to the statement I have just made, in terms of not being able to separate the two matters to which I referred, violence and our social ills, I recommend that members who were on the justice committee and those who would like to be enlightened, like my hon. friend on the left who always interjects—I hope he will give us an opportunity to hear his words of wisdom—acquire this report entitled, "The final report of the National Commission on the Causes and Prevention of Violence". The title indicates that some thought went into the inquiry because it also states it was to establish justice and to ensure domestic tranquility. I think this is the sort of thing we are all concerned about—domestic tranquility and the establishment of justice.

I hope hon. members will understand what I am hoping to point out when I refer to this question. I shall not dwell on it too long but shall merely give some concrete examples of why I have been able to come to the conclusion that we should not look on this bill as a panacea. I recommend this report to all members who do not have a copy of it. Hon. members who were part of the Canadian delegation met many of our colleagues in the United States and it would be very simple to write them and ask for a copy of this book. I believe it is extremely important to read what is stated in the book on page 27, as follows:

> Much has been written about inner-city slums where crime and delinquency are bred. Social scientists have analyzed slum conditions and their causal link to crime and violence, writers and artists have dramatized the sordidness and the frustrations of life in the inner cities, and a number of Commissions prior to this one have produced comprehensive reports on this subject. In its 1967 report the Crime Commission described the linkage between violent crime and slum conditions in large cities as "one of the most fully documented facts about crime".

To interject briefly, may I say that what I mean by violence and crime as referred to in this report is primarily homicide, rape, assault and robbery. It continues:

> Referring to numerous studies conducted over a period of years, the commission found that violent crime, its offenders and its victims are found most often in urban areas characterized by: low income, physical deterioration, dependency, racial and ethnic concentrations, broken homes, working mothers, low levels of education and vocational skills, high unemployment, high proportions of single males, overcrowded and substandard housing, low rates of home ownership or single family dwellings, mixed land use, high population density.

• (2120)

I think my point is well taken: it is very difficult to separate the reasons for a person's social behaviour from the reasons for the social ills which exist today. I give the Minister of Justice (Mr. Lang) some credit. He is new on the job, and most of this work was done by his predecessor, whom I also wish to compliment. A bill such as this does not enable us to get mean easily.

Mr. Olson: You are never mean anyway.

Mr. Alexander: Sometimes I get carried away because I cannot understand how this government can ignore the problems and frustrations of people. However, since I am not supposed to be mean this evening, and I said I would not be mean, I give credit to the former minister of justice—perhaps I am taking this out of context—who said that the law shall never again stand still. Those are significant words. I hope it will never again stand still, because if it does we will unquestionably be faced with confrontation from those who believe that the administration of justice has no meaning for them and even this place has no meaning for them. I hope that the present Minister of Justice has taken a page from the former minister of justice when he stated:

> In our day we can far less afford the delays which we have suffered in the past. It is more dangerous and less defensible to leave our legal system, our whole belief in the working of freedom, vulnerable to those who have a case against a particular rule when we have to agree with their case and should move to change the rule.

In other words, we are faced with change, not change for the sake of change but change which is necessary because of the contemporary way of thinking and the circumstances in which we live which lead to so much frustration. One thing about which I am pleased is that the Standing Committee on Justice and Legal Affairs, of which I am a member, is a highly respected committee. I think all hon. members will agree with this. We come from all parts of the country. Certainly we have different ideas, but among our group are to be found many lawyers. They do not pussyfoot when it comes to bills. We do not argue and we do not fight.

Mr. Benjamin: There are too many lawyers.

Mr. Alexander: Thank God you are not on the committee. I do not know whether there are too many lawyers in the House of Commons. With all due respect, those lawyers who are members of the official opposition are good lawyers. Those on the other side of the House are also good lawyers. The hon. member's party has one to whom I

give some credit, the hon. member for Broadview (Mr. Gilbert).

Mr. Benjamin: There is an exception to every rule.

Mr. Alexander: The exception is you. I do not know whether there are too many lawyers, but what I am trying to say is that we have a high calibre of lawyer on the committee. They are intelligent and, generally speaking, non-partisan when dealing with bills such as this. When the Minister of Justice says that he hopes we will give this bill speedy passage and will bring before the committee amendments of some consequence, he can be sure the bill will receive that treatment. I have a feeling that the minister means what he says. If he is anything like the former minister of justice, we will get along quite well.

Here we have an omnibus bill amending the Criminal Code, the Criminal Code 1967 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act. In dealing with all these acts the government is attempting to remove certain offences and punishments. This is a commendable attitude because obviously certain offences should not be included in the Criminal Code, such as attempted suicide. It is high time we removed it. Generally speaking, we are dealing with social behaviour in contemporary society and occasions when governments should move in to deter conduct which Canadians as a whole find offensive and not in keeping with the type of society in which we would like to live.

As I understand it, there are some 75 clauses of significant magnitude affecting the acts to which I have just referred. Hopefully, when we are through with this bill it will become more meaningful. Hopefully, it will exhibit a need for change to rid our criminal law of an archaic climate, a law which is riddled with anomalies, one which for some time has had no new approaches and has not been responsive to the changing needs of our society.

I gave the former minister of justice credit for having indicated some time ago that the law will never again stand still. We are moving in the right direction in deliberating on this bill. As I said, this amendment will not be the panacea which we seek. The problems that all members of parliament face are difficult. However, there is a study that is being undertaken now. Perhaps we are moving too quickly with this bill, but on further deliberation I do not think we are because there are certain things that this bill will achieve and we cannot afford to wait for the conclusions of the law reform commission under the chairmahship of Mr. Justice E. Hartt. I refer to the removal from the Criminal Code of corporal punishment. It should have been removed some time ago. I think it is barbaric. It seems to me an attempt to seek vengeance upon the accused. I cannot see how corporal punishment could be a deterrent.

Today we have to face the crimes of skyjacking and air piracy which are reprehensible crimes. Surely we have to deal with them immediately and cannot afford to wait for what I am sure will be commendable conclusions and recommendations of the law reform commission. The law reform commission, in a publication entitled "Research Program I," has given some indication of the problems with which they are faced. I want to put it on the record. Perhaps hon. members do not know what they are attempting to do, what they are faced with and what their conclusions may be when they have finished their deliberations. I shall read from it quite extensively, though not to the point of boredom, for the benefit of hon. members who have not had an opportunity of looking at this issue. At page 12, under the heading "Aims and purposes of the criminal law" it reads:

• (2130)

At present there is confusion and controversy about the functions of the criminal law. Thus, the commission will study on a continuing basis the purposes to be served by the criminal law in our Canadian society. In particular, we will be concerned with: identifying the types of conduct which should be made subject to the criminal law; analysing the objectives to be attained by the imposition of criminal sanctions; finding alternative techniques for regulating conduct without resorting to the criminal law; studying the effectiveness of the adversary system; and examining the existing classification of offences and the jurisdiction of the courts.

The most important statement that I take out of this is that here is the law reform commission, which is headed by one of Canada's leading jurists, indicating that at present the criminal law is in an area of confusion and controversy about its functions. Under the heading, "General principles of criminal law" it reads:

The commission will study the general principles common to most offences with a view to their clarification and codification. Many of these principles are not now contained in the Criminal Code but are developed through statutory interpretation and judge-made law. As a result, there is uncertainty about some of the fundamental issues of criminal law. The study will include in the initial stages: the mental elements of the offence; strict responsibility; ignorance and mistake of fact and law; mental illness; intoxication; compulsion and necessity; extra-territorial extent of the criminal law; and corporate criminal culpability.

Another part of the program which the commission will delve into is described as, "The attainment of equality before the law." It reads:

The commission will study the impact of the criminal law on specialized groups within society to determine whether it is operating equitably. Special studies will be undertaken into the problems of the native offender and poverty and the criminal law.

That is a commendable program and I will deal with it a little later. Under the heading, "Prohibited and regulated conduct" it reads:

The commission will study offences now contained or that should be contained in the Criminal Code with a view to the enactment of a comprehensive code reflecting contemporary values.

I would like to so pause there, Mr. Speaker. It is too bad this type of commission has not been operating for five years so that we could have the benefit of its wisdom. I think we are a little premature in introducing this bill when we know that we now have a law reform commission which will be studying in depth this area of criminal law. But because of the necessity for passing a number of important clauses of the bill, we must move ahead with it. I continue to quote:

Some of the questions to be explored for each offence are: whether the conduct should be prohibited by law; whether the criminal process is the best technique for controlling that conduct; whether the physical and mental elements of the offence have been defined with sufficient certainty and in a rational and understandable manner; and whether the penalty set out in the statute for the offence is realistic. The matters to be studied and reported on at

an early stage are: homicide; sexual misconduct; obscenity; contempt; conspiracy; and dishonest acquisition of property.

Mr. Speaker, what we are doing now is certainly a step in the right direction, but the problem is extremely complex, calling for more than the standing committee on justice to delve into this bill. It calls for expertise and for hearings to be held around the country, something which I understand the law reform commission will be doing so that it may have the advice not only of jurists and administrators but of other persons who are affected by the criminal law.

One of the matters the commission will be looking at is homicide. Right now, homicide and the penalty for homicide constitute a burning question. I was not here five years ago when capital punishment was debated with deep conviction by members on all sides of the House. I understand there was a free vote taken on the issue. But as I have thought of the matter over the years, particularly since becoming a member of this House knowing that we would again have to face the issue, I have always wondered whether capital punishment in fact is a deterrent and whether it is morally right.

What disturbs me is not so much the answers to those two questions but the answer to this one: Can we make a mistake? Here I am really in a quandary. I know what the pressures are. If somebody says to me, "Let us bring back capital punishment because these are the statistics," I will reply, "Everybody knows what can be done with statistics." But what is unfortunate with respect to the law as it stands is that it was supposed to have been a five-year experiment and has turned out not to be an experiment at all.

Apparently members of this House, on a free vote, decided that capital punishment should be abolished except in the case of the murder of a prison guard or policeman. What has been the result? Policemen have been slain, and I have always been asked the question, "What goes on? I thought you chaps passed a law five years ago providing capital punishment for the murder of a policeman." I really did not know the answer myself but I knew there was an answer to the question. Then I found out that the answer was that when parliament passed this law it never did away with the prerogative of the cabinet to commute the death sentence. This is what the average person does not realize. He forgets that the cabinet has power to commute the death sentence. The result is that we have a law that is not a law.

I am not trying to be partisan this evening, but here we have a cabinet going against the wishes of the elected representatives of the people who wanted a five-year experiment. That is why we are in the present quandary. That is why the Canadian people are so upset. That is why they do not know what the law really is. They apparently believe that if a policeman or guard is slain, then the killer should face the maximum penalty.

There was a debate of some significance on this question five years ago. Why in heaven's name have we not followed the law? Had we done so we might now have the solution to a very burning question, a determination of the pros and cons regarding the abolition of capital punishment. The government has left the Canadian people in a dilemma. The government should have had the compassion either to wipe out the law or abide by the law as it stands. I can live with and accept the law as it stands now and, as I said before, I have to reach a happy balance between it and those who are involved with the protection of lives and property, our policemen and prison guards. As the law stands now, they will say this is discrimination. Perhaps it is. But I have to answer the question that the right hon. member for Prince Albert (Mr. Diefenbaker) this afternoon told us to ask ourselves: What if we make a mistake?

I will be very frank, Mr. Speaker. Apparently most lawyers around here have been involved as counsel in about 20 murder cases, and many give the impression that they are the greatest counsel that ever lived. I took part in only one murder trial and I do not particularly want to be involved in any more. The pressure that was exerted on me was enormous, not only with respect to my capabilities as a lawyer but because I thought that if the jury was not of a high calibre, and because of my inadequacies in going through the appeal procedure, this man might hang. I was bothered then and still am. As far as I am concerned, let somebody else who has the fortitude and strength, and who can go to bed when the case is over and forget about it, conduct murder trials. I see the hon. member for High Park (Mr. Deakon) looking at me. He knows what I am talking about. I can live with this law because it is provided that the government will move in the right direction and do what it is told to do, forget about commuting sentences.

• (2140)

Mr. Speaker, all countries are concerned about this problem. I shall put just a few statistics on the record. In several major countries the death penalty has been abolished by law: Argentina, Australia—Queensland and New South Wales—Brazil, Great Britain, Colombia, Costa Rica, Denmark, Dominican Republic, Ecuador, West Germany, Finland, Greenland, Iceland, Italy, Mexico—25 of 29 states—Norway, the Netherlands, New Zealand, Portugal, Sweden, Switzerland and many of the states in the United States of America. That is why we shall have to deal with this problem. I may have to change my mind six months from now, and I want help in this regard. I am not concerned about whether it is morally right or whether there is a deterrent; what bothers me is that a court and a jury may make a mistake and send an innocent man to the gallows.

In New Zealand, capital punishment was abolished in 1941. In 1951, it was reinstated and in 1956 the death penalty was again abolished although it was not formally removed from the statutes until 1961. The minister of justice for New Zealand made this statement during the course of parliamentary debates in 1961:

When we realize that the penalty for murder has changed three times in the period I have been reviewing—in 1935, in 1950 and 1957—with no effect on the figures; then surely it is plain to us that executing murderers does not achieve anything.

Be that as it may, Mr. Speaker, that is the problem we are faced with. There was one particular program within the objectives of the law reform commission that struck home. I want to spend a few minutes on it because I think it is extremely important. I refer to the attainment of equality before the courts. Most judges are impartial,

have a sense of responsibility and accept the fact that this country is a multicultural society with people of different races, creeds, colours and religion contributing to the quality of our life. But there are still some judges who for some reason or other make derogatory statements not only to the detriment of the accused but to the detriment of the group to which the accused belongs.

Mr. Speaker, I thought I was making a pretty good speech, but when I hear the noise in this House I wonder. I do not want members to stop talking while I am making a speech, but to just tone it down a little.

Some hon. Members: Hear, hear!

Mr. Alexander: When I thought about this question, I thought we would never have respect for the law until those who are affected by the system in which we live believe they have equality before the courts. A few years ago the right hon. gentleman brought in the Canadian Bill of Rights. We are in a changing society now, the frustrated and the alienated, those who believe that this system cannot help them—

Mr. Benjamin: Change the system.

Mr. Alexander: We don't have to change the system to make it more meaningful and responsible to the people we represent. I do not know how the hon. member ever got into this place. I don't know what he advocates, but I think this system is a good one and until somebody can show us a better one I am for it.

Some hon. Members: Hear, hear!

Mr. Alexander: If the hon. member has a system whereby equality of opportunity is given, a system whereby—

Mr. Benjamin: We are still trying to get that.

Mr. Alexander: —the individual can bring all his background into our Canadian life and freedom and be given an opportunity to pursue his legitimate goals, I wish he would stand up and tell us. If he does not have a system, he is supposed to tell the people, "We are changing the system in a meaningful way by making it more responsive to the needs of the people we represent". That is all we have to do.

Some hon. Members: Hear, hear!

Mr. Alexander: Let me go back to what I was saying because I have a point to make. The hon. member is trying to get me confused, Mr. Speaker, but nobody will confuse me. He is not getting anywhere. I am taking more time than I said I would, Mr. Speaker, but I want to read part I of the Canadian Bill of Rights which reads as follows:

> It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and following freedoms, namely:
>
> (a) The right of the individual to life, liberty, security of the person and enjoyment of property and the right not to be deprived thereof except by due process of law;
>
> (b) The right of the individual to equality before the law and the protection of the law.

That is the statement which I want to pursue for a few moments. When I see the problems of the blacks in Nova Scotia who have indicated that they do not have equality before the law—these are allegations which have been reported—when I read of the problems that my brothers, the Indians, the Metis and Eskimos have, the people of colour who have problems and do not believe that they have equality before the law, I believe it is enough to make us all concerned; it is enough to make us say that perhaps our judges should take a course in human relations: there is no reason why not.

Some hon. Members: Hear, hear!

Mr. Alexander: They take a continuing course in law and sentencing and perhaps they should take a course in human relations. No man should be pointed at in a derogatory way because of his race, creed or colour. This is 1972. I hope the Minister of Justice will take this question under advisement. Perhaps they need me to teach the course; I do not know. I want it to be known that we on this side of the House and members on the other side will not stand for that nonsense. There has been too much of it in the past and I do not intend to let wrongs go unchallenged. We in the Conservative party will not sit with folded hands and let injustices come to pass. I am speaking for Canadians, period. When I see the kind of nonsense to which I have referred, I am sickened. In future, those who read *Hansard* will know that the members of the House uphold justice and the idea that individuals must have equal rights, opportunity and equality before the law.

• (2150)

As I said earlier, we cannot criticize the government for introducing this bill. We must wait until the Minister of Finance (Mr. Turner) brings down his budget one week from today, on May 8: we can blaze away then. In this bill the government has met certain responsibilities. I think it has made a legitimate attempt to improve the efficacy of our criminal law. When the bill comes before the Standing Committee on Justice and Legal Affairs it will be treated with all necessary despatch. The hon. member for Halifax-East Hants has already put that thought on record.

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I am pleased to speak briefly on this bill. I was also pleased to listen to the fine speech made by the hon. member for Hamilton West (Mr. Alexander). There are times in one's political life when one feels close to brother members of parliament. This sense of closeness transcends ideologies. The present occasion is an example of that sort of spirit which has arisen in the House because, Mr. Speaker, those who believe in the rule of law cannot oppose these amendments to the Criminal Code.

The bill covers everything that happens to an accused from the time he is arrested until he is convicted and punished. The whole bill is a compromise between humanity, in some parts, and growing severity in others. It shows more humanity in crimes such as common assault where previously a person could be convicted of an indictable offence. It will no longer be possible to treat common assault as an indictable offence. A charge of common assault usually arises when someone loses his

cool and makes a fool of himself. A man like that will be treated with compassion.

At the same time, the bill deals more severely with assault occasioning bodily harm, the maximum sentence for which is to be increased to five years. Under the code as it is at present, cases involving extreme violence were inadequately dealt with. The maximum sentence of two years was inadequate. I think a better balance has been struck in the law, lesser penalties will be meted out for lesser offences and more severe penalties for more severe offences.

I am glad that it will be possible for one to appeal a conviction for contempt of court. It was manifestly unjust, I think, that previously a judge had the power to convict a criminal or even counsel and that the law did not give either of them the right to appeal. This appeal provision is a major step forward in our law and all will recognize it as modern and humanitarian.

The question of public mischief is dealt with. I agree with the maximum sentence of five years. The offence may also be dealt with on summary conviction. That provision is good. A court can deal with people of low intelligence by way of summary conviction. On the other hand, of course, serious cases can be proceeded with by way of indictment. All in all, I think that justice will be done as it should be done.

There is in the bill a provision that concerns jurors. It overcomes previous weaknesses in the law. Previously, a judge was not empowered to dismiss a juror unless he was satisfied that it was impossible for the juror to continue serving. He might have been suffering a great deal of pain and might not have been discharged. Now it is provided that if in the opinion of the judge there is good reason for the juror not to continue serving, the juror may be discharged and his services dispensed with.

The bill is full of humanitarian reforms. In places it patches the law; in others it makes humane provision with respect to records, whether convictions will be allowed to stand, and whether a conditional discharge will be allowed. The entire subject of the bill will be dealt with in committee. I am proud to be a member of the Standing Committee on Justice and Legal Affairs which will review these matters in detail.

I cannot refrain from speaking about the wording of section 309, printed at page 18 of the bill, dealing with possession of housebreaking instruments under suspicious circumstances. I will not go into details now, but it seems to me that under this section the court is saddled with three burdens of proof whereas one burden is usually enough. First, there is the overriding burden of proof resting on the Crown, which must prove the case beyond a reasonable doubt. Then an onus is cast on an accused, who must deal with the matter. Then an onus seems to be cast on the Crown. I think these burdens of proof should be spelled out in more detail.

Mr. David MacDonald (Egmont): Mr. Speaker, I want to speak about two aspects of the legislation before the House which have concerned me particularly since 1967. Earlier today reference was made to the leadership given by the hon. member for Vancouver East (Mr. Winch) to the movement for abolishing corporal punishment and to the work that the parliamentary committee did in the mid-1950s. It has taken remarkably long for those concerned with the furtherance of justice to implement previous recommendations and bring about the abolishment of corporal punishment.

The term corporal punishment is often misunderstood. When people talk about corporal punishment they think they are talking about hanging. It has nothing to do with hanging. Corporal punishment means the use of the whip or strap, an instrument of punishment previously in common use. It was imposed after criminals had been convicted of certain offences and sent to federal institutions. In recent years this form of punishment has been used less and less. Now, in introducing this law reform, the minister is merely making regular what has become standard and accepted practice. To be honest, let me say that the Minister of Justice (Mr. Lang), by including this measure in the bill is taking a greater risk than if he had introduced it two or three years ago. A growing number of people in this country think it is useful to retain this anachronistic and revengeful form of punishment known as corporal punishment.

I see my time is running out, Mr. Speaker. Later in this debate I shall say why it is important to abolish corporal punishment once and for all. May I call it ten o'clock?

[Mr. Gibson.]

PROCEEDINGS ON ADJOURNMENT MOTION

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

CONSUMER AFFAIRS—LARGER INCREASE IN FOOD COSTS IN PRINCE EDWARD ISLAND—REFERENCE TO PRICES AND INCOMES COMMISSION

Mr. David MacDonald (Egmont): In baseball, Mr. Speaker, after three strikes you're out. I hope that does not apply to me, for this is the third time I have spoken today.

In bringing this matter to the attention of the House I am raising something that has been the concern of hon. members representing Prince Edward Island, and of the Premier of Prince Edward Island for the past few months. The matter was initially raised in correspondence among members of this House representing Prince Edward Island constituencies, the Premier of Prince Edward Island and Statistics Canada.

I think all Canadians in the last two or three years have been alarmed by rapidly rising food costs. From time to time the complaints of housewives, the most important body in the country, reach the ears of representatives in legislative chambers. We heard such complaints four years ago when the Minister of State for Urban Affairs (Mr. Basford) chaired, with Senator Croll, that important committee investigating the alarming and rapid increase in food costs.

• (2200)

In talking about the subject of high food costs I want to focus strictly on the situation as it pertains to Prince

Edward Island. I want to do this because I think a myth has grown in this country which suggests that it is cheaper to live in places like Prince Edward Island and other areas with a relatively low standard of living and low income. When federal wage scales are set or when federal estimates are made on the amount of expenditures necessary to establish comparable levels of equality of income, it is often concluded that a person can live more cheaply in a place such as Prince Edward Island or the Maritimes generally than in Toronto, Montreal or Vancouver.

One might almost call this the Judy LaMarsh myth. Perhaps it is not fair to refer to the hon. lady because she is no longer a member of this chamber. I remember a famous occasion when she was speaking in Ontario. She said that an old age pensioner could live much more cheaply in Prince Edward Island than in Ontario. I hope the hon. lady is listening, and others who still cherish that myth. I have facts to indicate that in one of the most vital areas in terms of consumer costs, food, this is unfortunately not the case.

An hon. Member: What about rents?

Mr. MacDonald (Egmont): The hon. member has suggested rents. I hope we will have an opportunity to discuss that subject on another occasion. It is also an important and related question. There is also the matter of transportation and fuel costs. However, this evening I am focusing on food costs. I have received figures from Statistics Canada which go into some detail. I think it is important to place them on the record. In January, 1969, starting with the $1 figure in Charlottetown, Saint John and Halifax, the criteria was established as to how much $1 would buy. Running through to the end of 1969, food costs showed an increase in those three Maritime centres that was roughly comparable. In December, 1969, food costs had risen to 103.8 in Charlottetown, 104 in Saint John and 104.8 in Halifax.

To the end of 1970 there was a very slight increase in Charlottetown to 104.4. There was a decrease in Saint John to 100.1, and in Halifax to 99.6. I now come to the alarming part. In 1971 there was a rapid rise in food costs in Charlottetown from 105.8 in January to 111.3 in December of that year. In Saint John there was an increase from 100.6 to 106.4 and in Halifax from 99.8 to 103.8. One can see the alarming rate of increase that took place in Charlottetown in the year 1971. While there was a similar increase in the other Maritime centres, it was obviously not as big. In 1972 the cost jumped from 111.7 in January to 113.5 in February, and 113.9 in March—almost 114. In Saint John the figure went from 106.3 in January to 108.2 in March, and in Halifax from 104.8 in January to 105.4 in March. This rapid rise in costs has to be treated very seriously. I think that on a statistical basis people are aware of the way in which they are paying a great deal more for their food.

The answers are not simple but they are at least clear. The issue of transportation has to be the basic one. The issue of transportation to and from the Island has been one that successive governments since confederation have avoided. As a result, almost all the commodities on the island originating from mainland Canada cost more. Almost all the commodities, basic foodstuffs that we sell and which leave the Island, must be sold at lower prices to make up for the difference in transportation costs. How long will islanders continue to be in a seller's market when they choose to purchase their needs, and in a buyer's market when they need to sell their produce?

The Acting Speaker (Mr. Boulanger): Order. I regret that the time of the hon. member has expired.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as the hon. member has indicated, Statistics Canada has looked into the situation in Prince Edward Island and found that the trend of food prices in Charlottetown and Halifax has been sharply different in the two places since 1969. It appears clear that an anomalous situation exists there.

As suggested by the hon. member, it may well be that part of this problem arises from transportation costs, and the extra costs involved are certainly a factor in food prices. However, the most important factor may well be the degree of retail competition in different areas. The large retail chains are heavily dependent on traffic in the large urban centres and competition is usually very keen.

In contrast, the attitude of merchants in smaller centres is frequently somewhat more relaxed. This does not imply that any conspiracy is involved, but merely that they are not forced by the market situation to compete as vigorously as they are in the larger centres. This would seem to be part of the problem in Charlottetown. The so-called food price war which began in 1970 did not, it seems, extend to Charlottetown nor, let us be candid, to a great many other parts of Canada.

Food prices, as the hon. member has mentioned, are the most visible of the prices paid by ordinary consumers and also have the greatest impact on public attitudes toward inflation. It would provide a more balanced view of the situation if account could be taken of the prices of a much wider range of goods and services. Although we do not have any precise information on the subject, it is probable that some of the disadvantages to the outlying areas in terms of food prices are counterbalanced by lower accommodation and service costs.

We should probably focus more attention on the over-all standard of living in different regions. It would seem that we should be striving for greater equality in standards of living and that we should accept disparities in particular price levels provided that similar groups of people in different areas have roughly equivalent living standards which they are able to enjoy.

INDIAN AFFAIRS—REQUEST FOR TABLING OF STANBURY-FIELDS REPORT

Mr. Frank Howard (Skeena): Mr. Speaker, about five years ago the federal government commissioned two University of British Columbia professors, Professor Stanbury and Professor Fields, to make a study of taxation in the broadest possible sense as it related to Indian people in that province. As far as I can gather, the federal government paid the whole shot for that study; it was a federal government examination and survey.

The Stanbury-Fields report, as it became known, was subsequently concluded and presented to the federal government. On a number of occasions I have moved motions in the House asking that that report be made public; in other words, be tabled. At first when these motions of mine were put forward a few years ago, the government objected to them on the ground that the report was of a confidential nature and could not be disclosed. In fact, I think the Minister of Veterans Affairs (Mr. Laing) was minister of Indian affairs at the time I first raised the question. At any rate, the federal government indicated it could not disclose this report because it was confidential. But we persisted in our requests.

• (2210)

A couple of years ago this government acquiesced and said in effect, "We have examined the report. We do not consider it to be confidential, so we will agree to table it subject to permission of the province of British Columbia." The province of B.C. subsequently denied that permission and the report was not tabled. I submit that inasmuch as it was a federal report related to a subject matter coming exclusively within the jurisdiction of the Parliament of Canada, namely, Indian people, and inasmuch as it was financed entirely out of federal revenue, the province of British Columbia has no position whatsoever in this matter, permission should not have been asked for nor should the denial of the province have been heeded at that time.

That report makes some very interesting disclosures about the position of Indian people, the amount of taxes they pay and the fact that they are cheated regarding their land tax position, in that reserve land is leased to the province of British Columbia. They are being cheated by the provincial government and I suggest that is the reason the province does not want the report tabled.

I suggest that the House did pass a motion to the effect that this report be tabled and I now seek permission to table four chapters of it, being the part I have been able to obtain. Mr. Speaker, pursuant to a motion this House passed, I ask permission to table chapters 7, 9, 10 and 11 of the Stanbury-Fields report.

The Acting Speaker (Mr. Boulanger): Order, please. While I do not have the rule book before me, if I am correct this document can only be tabled at the time of motions. The Chair cannot accept the hon. member's suggestion.

Mr. Howard (Skeena): On a point of order, Mr. Speaker, I doubt that it is your prerogative to make that decision. No one in the House has objected and I assume that unanimous consent has been given because of lack of objection. Unanimous consent having been given to table the report, this should certainly obviate any feelings you may have about the rules in respect of motions.

The Acting Speaker (Mr. Boulanger): Order, please. I think the hon. member is asking the Chair to do something that does not follow the usual practice for tabling documents. The hon. member knows the rules which apply at this time of night. I do not think the Chair has any right to accept the suggestions. In order to be fair, let me refer to the rule that papers can be laid before the House by the provisions of an act of parliament, an order of the House, an address to the Crown, a command of the Crown or by Standing Order of the House. At this time of night we do not follow the practice of tabling documents. One might also suggest that there is no quorum, therefore unanimous consent cannot be given. In any event, I think my ruling should stand and I cannot accept the tabling of this document at this time.

Mr. Howard (Skeena): Am I correct in assuming that you refuse to put the question to the House seeking unanimous consent? Surely if unanimous consent is given in respect of an order of the House that has already been issued for the tabling of this document, it should be received.

The Acting Speaker (Mr. Boulanger): In addition to what I have said, we have not a quorum and the hon. member knows the special rules which apply at this time of night.

Mr. Howard (Skeena): If we do not have a quorum, I think you should adjourn the House.

The Acting Speaker (Mr. Boulanger): I think the hon. member should co-operate with the Chair and let the ruling stand.

Mr. Howard (Skeena): I take it I may raise this matter tomorrow on motions.

The Acting Speaker (Mr. Boulanger): If the hon. member intends to treat the matter as a motion, he will have to do so before motions are called tomorrow.

Mr. Howard (Skeena): If I raise the matter on motions, that is true, unless Your Honour suggests I do it by way of a question of privilege, in which case I can give two hours' notice in accordance with the rules. If that is your wish, I will do that.

The Acting Speaker (Mr. Boulanger): The hon. member knows the rules. He can raise the matter on a question of privilege if he wishes, but my decisions stands and I regret that I cannot do otherwise than deny the request.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in 1967 the Department of Indian Affairs and Northern Development engaged the services of Professor D. B. Fields of the faculty of commerce and business administration, University of British Columbia, to undertake a study and quantitative assessment of the status of Indians as taxpayers in the province of British Columbia. His associate in the study was Mr. W. T. Stanbury, at that time a PhD candidate in economics at the University of California, Berkley, and the department of economics, University of British Columbia. Hence the name of the report. The terms of reference of the study, as reported in *Hansard* for Wednesday April 23, 1969, at page 7843 were as follows:

> The project shall consist of a study and quantitative assessment of the financial significance of the special status of Indians as taxpayers in the province of British Columbia and without limiting its scope in any way shall include a general analysis of present and potential taxes levied on Indians, the nature and cost of services rendered to Indians at present and future trends, the growing significance of taxes paid by non-Indian leaseholders of

Indian lands, the tax implications of an increase in business activities on Indian reserves, and significant changes in income and spending patterns of Indians including their potential to pay income tax if they were subject thereto.

The nature of the study meant, of course, obtaining data from various departments of the provincial government, municipalities and federal tax authorities as well as from public documents. In 1968 a report with the findings of Professor Fields and Mr. Stanbury was submitted. It is well known, as reported in *Hansard,* that some of the material contained in the report was considered to be of a confidential nature and accordingly could not be released. The Department of Indian Affairs and Northern Development undertook to have an edited version prepared which would take appropriate account of personal references to individuals and the confidentiality of material.

The government was prepared to make such a version available, subject to obtaining the concurrence of the province of British Columbia. However, unfortunately that province has not granted concurrence and consequently it has not been possible to have the report made public.

TRANSPORT—UPDATING OF YEAR OF MANUFACTURE OF FOREIGN AUTOMOBILES—ACTION TO END PRACTICE.

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on March 28 last I raised a question with the Minister of Transport (Mr. Jamieson) regarding the updating of certain automobiles, mainly imported automobiles. This is a topic which has excited a considerable amount of interest across the nation and one to which I believe the government should direct its attention. I realize there is a dual responsibility here and that probably the Minister of Consumer and Corporate Affairs (Mr. Andras) has just as keen an interest in the matter as his colleague the Minister of Transport.

The question has many ramifications. As I say, it has excited a great deal of interest across the nation. Apart from the fact that the Department of Transport certainly has a legitimate interest in this topic as a result of the Motor Vehicle Safety Act, the department I think should be prepared to answer a few questions and take a more direct interest in what is going on. For example, I should like to know how many people within the Department of Transport deal directly with questions concerning automobile safety.

I should also like to know how many complaints are registered annually with the department on this subject, and what sanctions are available through the Department of Transport to enforce regulations pertaining to auto safety and registration procedures. There is a real problem here so far as consumers are concerned because at this time, due to Canada's status as what has been called a dumping ground for unsafe and misregistered vehicles, any vehicle, I am informed, may be arbitrarily registered by the auto maker in any year desired, with full government approval. The only problem is that no one bothers to tell the consumer about this. Then he buys a new 1972 Datsun, Toyota or Volvo, for example, he may find much to his surprise that what he really bought is last year's model.

Most customers only discover the error when they return to their dealer the next year and find that their car has depreciated perhaps by two years, with a depreciation factor of 50 per cent rather than the expected 30 per cent. By this the motorist learns to his sorrow that he has paid more for his insurance, that his car's rusting is normal rather than premature, and that most sales contracts have a clause which prohibits him from doing much about it.

• (2220)

Aside from financial loss suffered, these redated automobiles pose a serious safety hazard. Certain 1971 and 1972 models advertised as incorporating the latest federally-controlled safety devices may in fact be substandard in construction, because the Canada Motor Vehicle Safety Act is effective only for vehicles manufactured after January, 1971, and normally any car registered as a 1972 vehicle would incorporate the features specified in the Canada Motor Vehicle Safety Act. However, this is not always the case and the motorist loses a great deal financially and so far as his personal well-being is concerned.

There is another point which is of concern. I suppose the import tax collected on foreign automobiles is predicated to some extent on the year they were manufactured. If there is some uncertainty as to the status of the vehicles allowed into the country and the fact that they may be updated, as it sometimes appears may well be the case, then I think the amount of import tax collected would be affected. If such is the case, I urge the government to look into this aspect of the matter.

There is another problem involving registration. I should like to quote from a submission made by a responsible consumer group in which the following statement appears:

Mr. Karl Barths, president of Volkswagen Canada Limited, recently told two members of the APA executive staff that Volkswagen had a serious problem in the early sixties with the now famous "grey market" selling of Volkswagens. Old Volkswagens were updated and sold to unsuspecting American motorists. This fraud was quickly ended, however, when Volkswagen of America improved its serial numbering system in 1965 so that anyone could determine when the car was built.

If that could be done at the initiative of the Americans, surely the Canadian government could double-check to see whether something like that could not be done here. I realize that time is a factor and I would conclude by suggesting that there are certain things that the Department of Transport and the Department of Consumer and Corporate Affairs could do. I make the suggestion because there are few things that interest the average Canadian as much as his automobile, and if he feels that something is phony about the way imported cars are being sold in the country, or for that matter any car, it will have a detrimental effect on the industry as a whole.

It seems to me that the import car industry in particular should be forced to set up machinery for a just rebate system for dealers who are left with old unsold models; that all car serial numbers should be filed with federal and provincial departments of consumer affairs and that complete reimbursement for all valid consumer claims, equal to the monetary difference between the real and the fictional age of the vehicle, should be instituted.

Recently the Minister of Consumer and Corporate Affairs held a press conference in Montreal at which he dealt with this problem. That is why I said at the beginning of my remarks that this is really a dual responsibility, but a governmental responsibility nevertheless. At that press conference a certain amount of attention was paid to the proposition that assistance would be available to consumers who wished to institute suits as a result of grievances which they suffered at the hands of dealers of imported cars. I would like to know what has been done in this regard, how many suits have been instituted, whether the government is really concerned about the problem or whether this is just a convenient way to dispose of it.

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, following a question asked in this House on March 28 by the hon. member for Central Nova (Mr. MacKay) concerning current regulations on motor vehicle safety, I indicated in a written reply tabled on April 26 that any vehicle manufactured or imported in Canada after January 1, 1971, had to bear a label showing the month and year of manufacture.

The Minister of Transport feels he has a duty to ensure that vehicles meet requirements concerning the conformity label prescribed by the regulations on motor vehicle safety, and a signed declaration for each vehicle is required of all importers.

Moreover, the records of manufacturers and importers are examined, and vehicles are inspected at customs offices in ports of entry as well as at the importers'. Whenever a complaint is received from the public, an investigation is made, and finally, the operations of manufacturers in Canada are under constant supervision.

One must also take into account the fact that any person who violates the Motor Vehicle Safety Act is liable, on summary conviction, to a fine ranging from $1,000 to $10,000 or, on conviction by way of indictment, to a fine from $5,000 to $200,000, whether the offence is committed by a private person or a corporation.

The hon. member must be aware of the press release that was issued by the hon. Minister of Transport (Mr. Jamieson) on April 24, and I guess he will be able to look into it if he has not done so yet, because he will find there all the information he wants about the subject matter we are dealing with tonight.

[*English*]

I also have taken note of other points of interest brought forward by the hon. member. I shall inform the minister of them in order to provide the hon. member with all necessary information.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday May 2, 1972

The House met at 2 p.m.

[*Translation*]

PRIVILEGE

MR. LAMBERT (BELLECHASSE)—OBJECTION TO QUESTION ASKED BY LIBERAL MEMBER

Mr. Lambert (Bellechasse): Mr. Speaker, on a question of privilege.

Yesterday, during the question period, the hon. member for Papineau (Mr. Ouellet) put a question of truly national interest to stress facetiously the absence of Social Credit members who, generally, are present in this House in a proportion which can be advantageously compared with that of a certain number of Liberal members.

I realize that when you are used to seeing someone in his seat and then one day he is absent, you may wonder why. But to ask whether the RCMP should be advised, I think that is going too far. It might also be slightly malicious, which is not in keeping with the dignity of our parliamentary system.

As far as I am concerned, I think that I can state, Mr. Speaker, that in the course of the present parliament, I have always made it a point to participate in the proceedings of the House, and, on several occasions, I could have asked for the adjournment of the House for lack of a quorum, which was not due to members of my party.

In conclusion, I should like to say that we understand the nature of our role in this House and that we fulfil it normally. Moreover, I believe that questions such as were asked by the hon. member for Papineau tend to reflect on a member's privilege and are contrary to the tradition of this House.

Mr. Speaker: The hon. member for Bellechasse gave notice to the Chair of his question of privilege. I agree that perhaps it is not always cricket to mention the absence of fellow members of parliament. The hon. member may have a grievance on that basis but I do not think that this grievance can be brought to the attention of the House as a question of privilege.

• (1410)

[*English*]

ROUTINE PROCEEDINGS

RAILWAY ACT

PROVISION FOR MANDATORY PUBLIC HEARINGS ON APPLICATIONS TO REMOVE STATION AGENTS OR CARETAKERS

Mr. John L. Skoberg (Moose Jaw) moved for leave to introduce Bill C-199, to amend the Railway Act (deviations, changes and removal).

Some hon. Members: Explain.

Mr. Skoberg: Mr. Speaker, at the present time section 120 of the Railway Act does not provide for a mandatory public hearing to be held when railway companies make application to remove any regular station agent, caretaker-agent or caretaker. This amendment would provide for the requirement of a public hearing. At the same time there is no requirement for the type of service that must be provided by the railway's personal contact. This amendment would spell out the services to be included by such company representative if permission has been granted for the removal of a regular station agent, caretaker-agent or caretaker. All that this proposed bill would do—

Mr. Speaker: Order, please. Standing Order 68(2) permits a very brief explanation. I believe this is what the hon. member has now done. Is it the pleasure of the House that the hon. member shall have leave to introduce the said bill?

Some hon. Members: Agreed.

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

On the order: Government Notices of Motions.

Mr. Broadbent: Mr. Speaker, I rise on a point of order. My colleague, the hon. member for Moose Jaw, wished to raise a motion under Standing Order 43 but he missed the opportunity. I wonder whether we could have the unanimous consent of the House to revert to motions?

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Perhaps the hon. member would not mind having the matter stand until tomorrow, and I will look in

his direction when we reach the item "motions" in our proceedings.

ORAL QUESTION PERIOD

TRADE

UNITED STATES DISC PROGRAM—INFORMATION RESPECTING EFFECTS ON CANADIAN ECONOMY AND AMERICAN COMPANIES MAKING USE THEREOF

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Can the minister tell the House whether he has met with the heads of the United States owned automobile or other plants in Canada, and would he now give the House what facts or assurances—not impressions—he has received from any of these gentlemen with regard to the effect of DISC upon the Canadian economy, on the operation of Canadian plants and on Canadian jobs?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not see why this question should be asked every day. I was very clear the other day on that subject. I said that I would take part in the budget debate and that I would meet the Canadian presidents of automobile plants before and would report on that subject.

Mr. Hees: That won't do.

Mr. Stanfield: I have no alternative but to accept that, Mr. Speaker, but perhaps I could obtain some help from the Prime Minister who is frequently helpful. Does he accept the view of the Secretary of State for External Affairs expressed in the House yesterday that it is very much in the interests of the United States government to inform the government of Canada of the extent to which United States corporations are making use of the DISC legislation so that the Canadian government can assess its effects on the Canadian economy? Is this the Prime Minister's view and, if so, has the government of Canada already made or does it intend immediately to make a formal request to the United States government for this information?

Mr. Pepin: There seems to have been reluctance on the part of the United States Treasury and possibly on the part of U.S. companies to provide this information. We are looking at ways and means by which we can identify exporters to Canada who are using the DISC program.

Mr. Stanfield: I appreciate the co-operation of the Minister of Industry, Trade and Commerce but he did not answer the question that I directed to the Prime Minister. My question was whether the view expressed yesterday by the Secretary of State for External Affairs in his capacity as Acting Prime Minister is the view of the government, namely that it is in the interests of the United States government—I am not talking about United States companies but about the United States government—to provide this information to the government of Canada. If this is the view of the Prime Minister, as it was the view expressed yesterday by the Acting Prime Minister, does the government of Canada intend formally to request this information, not from the heads of firms—that is a different proposition—but from the United States administration itself?

[Mr. Speaker.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government stands by what was said in the House on this matter by the Secretary of State for External Affairs.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Does the Prime Minister intend to act upon this view expressed by the Secretary of State for External Affairs, and does the government of Canada intend formally to request that the United States government supply the government of Canada with this information? Or is it just all talk?

Mr. Trudeau: Mr. Speaker, the Secretary of State for External Affairs will be pleased to continue the talk tomorrow when he is in the House.

UNITED STATES DISC PROGRAM—BASIS FOR STATEMENT BY MINISTER THAT ONLY MINOR DISEQUILIBRIUM IN CANADIAN AUTO EXPORTS WILL RESULT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce arising out of the statement he made outside the House on Friday to the effect that the use of DISC would cause only a minor disequilibrium in our trade in autos with the United States to the extent of one-half of one per cent. What was this estimate based on? Did he get this information from the automobile companies, and would he give us the source of his information?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I said at that time outside the House that it was difficult to assess at this moment what the effects of the use of DISC on exports to Canada by the automobile makers would be. That, I said, would be one of the questions I would raise. When I talked about one-half of one per cent advantage on sales, this was an opinion given me by a distinguished member of that industry, a figure which was meant to demonstrate that the effect would not be as colossal as was implied here by the opposition on Friday.

Mr. Douglas: Since the impression that the minister got on a previous occasion about the use of DISC proved to be erroneous, will the minister now give the House the results of a definite study with reference to what the effects of DISC will be? Has the minister had any conversations with the automobile company representatives to ascertain what will be the true state of affairs with reference to the effect on the Canadian economy of the setting up of DISC corporations?

Mr. Pepin: Mr. Speaker, I just said a few seconds ago that this was one of the questions I would raise with them and on which I would be reporting to the House when I make the said speech.

UNITED STATES DISC PROGRAM—INFORMATION ON USE

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Has the government asked all United States based firms that export goods into Canada or are parent companies of subsidiaries in Canada to disclose their policies toward DISC and, if so, is the government now gathering such information required to prepare a Canadian response?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, this is the information that we are assembling at this time. Some companies, subsidiaries of U.S. firms in Canada, are themselves volunteering this information. Some of them are rather precise. Others do not know exactly how the United States parent company is going to use the DISC program, the DISC advantages. Some of them presumably will use it elsewhere than in Canada presumably, while some might use it in Canada. This is the kind of information we are tying to get now.

• (1420)

Mr. Ryan: Is the government preparing disclosure legislation to require all importers of American goods to reveal their position with regard to DISC?

Mr. Pepin: Mr. Speaker, I said just a few seconds ago that we are looking at ways to identify exporters who use DISC.

Mr. Ryan: I am talking about importers.

UNITED STATES DISC PROGRAM—SUGGESTED CUSTOMS REGULATION TO COMPEL AMERICAN EXPORTERS TO DISCLOSE USE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, as it is not just American firms with subsidiaries in Canada that are a threat to the Canadian economy but also American firms in competition with Canadian-owned firms, would the minister commit himself to the House now to state in his participation in the budget debate whether the government of Canada will introduce a customs regulation making it mandatory that all firms exporting into Canada from the United States state whether they are doing so under the auspices of DISC?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I said a few seconds ago that we are looking into that.

Mr. Stanfield: The trouble is you have been looking at it for six months.

* * *

TRANSPORT

COURT JUDGMENT ENABLING PRIVATE BRITISH COLUMBIA RAILWAY TO LINK WITH U.S. CARRIER TO MOVE COAL—SUGGESTED EARLY AMENDMENT OF RAILWAY ACT

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Transport arising out of a

judgment of the Supreme Court of Canada reversing a decision of the Canadian Transport Commission which dismissed an application to connect a British Columbia private railway with an American railway for the purpose of transporting coal and presumably other products to the west coast for export to Japan. Has the minister had a chance to consider this judgment and is he contemplating amendments to the Railway Act which would clearly give the Canadian Transport Commission authority to take Canada's public interest into account on such applications?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have not yet had an opportunity to read the judgment and I understand it is quite a complex document. In fact, I have had two conflicting assessments of what it means. I would ask the hon. member for a little time in order to get advice and to study it. Of course, until that is done the second part of his question is in a sense hypothetical.

Mr. Lewis: Perhaps the minister ought to get non-lawyers to read it; then he might get one instead of two opinions.

Some hon. Members: Hear, hear!

Mr. Lewis: I say that as a lawyer. I might lose my union card but I will take a chance. If I understand the report correctly, the Supreme Court of Canada has ordered the CTC to reconsider its decision. In view of the fact that the CTC might feel impelled to do so without delay and in view of the fact that what is at stake is that jobs of Canadian railway men will be transferred to an American railway across the line, would the minister undertake to prepare and introduce amendments to the act without delay in order to take care of this situation before it is too late?

Mr. Jamieson: Mr. Speaker, I hope that my answer will not be regarded as irrelevant or off the point. At the moment, in view of the legal nature of this matter and the responsibilities of the CTC under the law, I would prefer to let that take its course in the sense that it is required to do by law. I might say as a general principle, however, and one that is removed from the case, that I want to see the maximum amount of Canadian products moved over Canadian rails. In that context I would be glad to consider any legislative or other changes that might achieve this objective.

Mr. Lewis: I have a further short supplementary, Mr. Speaker. Would the minister, if he feels he is in a position to do so, undertake to make a statement to the House on this matter within the next few days?

Mr. Jamieson: Mr. Speaker, I will take the hon. member's suggestion and get a layman's view as well, but just as soon as this complex judgment has been distilled to the point that I think I understand it thoroughly I will be glad to try to convey that understanding to hon. members.

Inquiries of the Ministry

[*Translation*]

AGRICULTURE

POSSIBLE PROGRAM TO ENCOURAGE MILK PRODUCERS TO RAISE CATTLE FOR BUTCHERING—DISCUSSION BETWEEN OTTAWA AND QUEBEC

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Agriculture.

Would he tell the House if there were discussions between Ottawa and Quebec with regard to the establishment of a program to encourage dairy producers to transform part of their operations and to raise cattle for beef.

[*English*]

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker. I do not think there have been any discussions between the province and officials of my department.

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FISHERIES

ATLANTIC SALMON—DANISH POSITION RESPECTING RULES CONCERNING DECLINING SPECIES IN LIGHT OF REFUSAL TO STOP HIGH SEAS FISHING

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries. In view of press reports that the Danish government will refuse to agree to Canada's proposal at the meeting of the International Commission for the North Atlantic Fisheries, of ICNAF, in Washington later this month, which calls for an immediate halt to high seas salmon fishing, does this mean that the Danes are no longer subscribing to the international rules of ICNAF concerning declining species? Also, what further steps is the minister contemplating to secure international agreement on salmon conservation?

Hon. Jack Davis (Minister of Fisheries): I think, Mr. Speaker, that the Danish representatives will be speaking for that country at the forthcoming meeting in Washington later this month. I do not think they will necessarily be taking the same rigid position as the hon. member was indicating.

Mr. Crouse: Since, according to figures from the Department of Industry, Trade and Commerce that have been tabled, in 1971 we imported $34.7 million worth of cheese, hams, bacon, fresh and frozen fish and canned, smoked salmon from Denmark—

Mr. Speaker: Order, please. The hon. member has the floor for the purpose of asking a question, not for the purpose of conveying information.

Mr. Crouse: Mr. Speaker, I must lay the basis for my question—and since we exported to that country only $22 million worth of goods, has the minister given any thought to using financial persuasion in seeking agreement to a ban on salmon fishing in international waters when our government officials meet with the Danish officials in Washington?

[Mr. Jamieson.]

Mr. Davis: Mr. Speaker, this approach naturally appeals to many people. However, it is not one on which I have made a recommendation.

Mr. Thomas M. Bell (Saint John-Lancaster): A supplementary question, Mr. Speaker. Is the minister aware that some New Brunswick fishermen affected by the salmon ban have applied for a local initiatives grant so they can import Atlantic salmon from Greenland in order not to go out of business?

ATLANTIC SALMON—REASSESSMENT OF CANADIAN STAND IN LIGHT OF DANISH POSITION

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. In view of the hard line taken by the Danish government on the upcoming ICNAF meeting in Washington, I ask the minister specifically whether Canada is now reassessing its position in light of the hard line taken by the Danish authorities?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, we assessed our position very carefully last year and the year before. We are taking the same position again this year, as the hon. member knows, and that is that there should be no fishing for salmon on the high seas whatsoever.

Mr. McGrath: Is Canada prepared to lay its membership in ICNAF on the line if the Danes refuse to change their hard line? In other words, are we prepared to withdraw from ICNAF if we fail to get agreement on a ban on salmon fishing on the high seas?

Mr. Speaker: Order, please. The hon. member will no doubt recognize that the question is hypothetical.

ATLANTIC SALMON—SUGGESTED BOYCOTT OF DANISH PRODUCTS BY CANADIAN CONSUMERS

Mr. John Lundrigan (Gander-Twillingate): A supplementary question, Mr. Speaker. Since all of the $30 million worth of produce imported from Denmark can be produced in Canada, is the minister prepared to recommend to Canadian consumers that they boycott all Danish produce?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I think Canadian consumers are capable of making this decision for themselves.

Mr. McGrath: Come off it.

Some hon. Members: Oh, oh!

Mr. Hees: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. We must move on. I will recognize the hon. member for Prince Edward-Hastings for the moment for a last supplementary on this subject.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, my supplementary question is directed to the minister. Would the minister consider going to Washington and learning from Secretary of the Treasury Connally

just how to put effective pressure on a smaller country when he wants to get something done?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Winnipeg North.

Mr. Orlikow: Mr. Speaker, I should like to direct a question to the Minister of Transport—

Mr. Hees: Look at the way Connally works. There is Connally, and here is our government, and our government is scared.

Some hon. Members: Oh, oh!

Mr. Hees: The government members have tears in their eyes. They are scared to death. Connally is not scared.

Mr. Orlikow: Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Winnipeg North has the floor.

* * *

AIRPORTS

STE. SCHOLASTIQUE—ALLEGED DIVERSION OF FEDERAL GRANTS TO ROAD CONSTRUCTION IN MONTREAL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Transport. Has he inquired into the charge made by a member of the National Assembly of Quebec that half of the federal grants for Ste. Scholastique airport are being diverted by the provincial government of Quebec for highway construction in Montreal?

• (1430)

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have taken notice of the comment. I only read about it in the papers, as I assume the hon. member did. I have asked my officials to give me a full report.

Mr. Orlikow: Will the minister have inquiries made to see whether some of that money is being diverted into projects more associated with the olympics than with the airport?

Mr. Speaker: Order, please.

* * *

FLOODS

POSSIBLE DECLARATION OF ARMLEY-RIDGEDALE REGION, SASKATCHEWAN, AS DISASTER AREA—INVESTIGATION OF AND COMPENSATION FOR LOSSES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. It has to do with the situation that prevails in the Armley-Ridgedale area in northwestern Saskatchewan where 50,000 acres of farmland are virtually under water. The emergency organization at Tisdale has asked for a declaration that the area be declared a disaster area. I ask the minister whether his department has made any investigation yet into the losses, which apparently will be very large, of the farmers who occupy that very productive area?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have made some inquiries respecting that part of the loss that is related to crop losses because in quite a large part of that area harvesting last fall was impossible. As far as we can ascertain, that crop has been destroyed. However, we have been advised that the Saskatchewan crop insurance administration has not paid these claims to date. I am not sure of the reason why they have not paid them. As far as we are concerned, we will continue our participation. With regard to the other part of the question, that is, damage other than crop losses, that will come through channels other than the Department of Agriculture to the Canadian government. I have not received that either.

Mr. Diefenbaker: In addition to the losses mentioned by the minister, of course there are other tremendous losses which resulted from the disaster. Has the government of the province of Saskatchewan been in touch with the government of Canada with a view to having this area declared a disaster area to the end that the government of Canada, in addition to compensation for the losses resulting from damage to crops that were not harvested last fall, will make available payments to those in that area who have suffered very large losses?

Mr. Olson: Mr. Speaker, as I tried to make clear, and obviously I did not, losses other than crop losses would, I suspect, be dealt with by the government of Saskatchewan. There are some precedents for the federal government participating in compensation for flood damage, whether it is to farmland or other damage. However, I will have to make some inquiries to see whether that has come forward to other departments of the government.

Mr. Diefenbaker: Thank you.

* * *

NATIONAL DEFENCE

REASON FOR DROP IN RESERVE FORCES STRENGTH—STEPS TO REVERSE TREND

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Defence. In light of the alarming 22 per cent drop in Canada's armed forces reserves, has the minister taken steps to identify the cause of this decrease as well as steps to reverse the trend? Perhaps he might indicate if he has been able to identify the reason.

Mr. Speaker: Order, please. Normally this kind of very general information ought to be given by the minister to the House by way of a statement on motions. If the minister can reply briefly to the hon. member's question, he will be recognized for that purpose.

Inquiries of the Ministry

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I answered that question when I appeared before the defence committee last week. My hon. friend was not there.

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AGRICULTURE

SMALL FARM ASSISTANCE PROGRAM—POSITION OF NEGOTIATIONS WITH NEW BRUNSWICK

Mr. Guy Crossman (Westmorland-Kent): Mr. Speaker, I wish to ask the Minister of Agriculture whether negotiations have been going on between himself and the government of the province of New Brunswick concerning the small farms development program. What progress, if any, has been made to date, or is there the customary dragging of feet on the part of the government of New Brunswick?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am not sure whether it is a customary dragging of feet. There has been an unacceptably long time lag in these negotiations. I can report on the positive side, however, that further discussions did in fact take place last week, and we hope we have moved much closer to a division of administrative responsibilities that will be acceptable to New Brunswick and Canada.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. May I ask the minister whether his answer regarding discussions applies to all the other provinces?

Mr. Olson: Yes, Mr. Speaker, but to a greater or lesser degree for other provinces. I say that because some provinces are now almost on the verge of signing an agreement and others are a long way from it.

DECREASE IN NUMBER OF FARMS BETWEEN 1966 AND 1971—PROGRAMS TO STOP OR REVERSE TREND

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is also for the Minister of Agriculture. In view of the startling revelation in the census that the number of farms in Canada dropped by 15 per cent between 1966 and 1971—a very serious situation—can the minister say whether he is now contemplating any new programs that will stop that trend or hopefully reverse it in certain areas?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the very significant upturn in incomes of farmers between 1970 and 1971 will, I think, have a profound effect on this.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

[*Translation*]

AIR TRANSPORT

AGREEMENT BETWEEN CANADA AND ITALY—MOVING OF OFFICES FROM MONTREAL TO TORONTO

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a question for the Minister of Transport.

Following the answer given yesterday by the Secretary of State for External Affairs with regard to the agreement between Italy and Canada concerning flights between Milan, Montreal and Toronto, would the minister tell the House if the government intends to sign similar agreements with other airlines and thus deprive Montreal of its monopoly over transatlantic flights?

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, in the first instance, it is not chartered overseas flights that are involved. Charter flights are outside of bilaterals. On the question of negotiating bilaterals with other countries I can say that a number of other countries have made overtures to us and vice versa. These talks will be continuing over a period of weeks and months. We usually deal with one country at a time and the Italian negotiations were the most recent.

[*Translation*]

Mr. Valade: Mr. Speaker, I should like to ask a supplementary.

Could the minister tell me if the government has given consideration to the economic effects of such an agreement on the metropolitan region should the companies now involved move their headquarters from Montreal to Toronto?

[*English*]

Mr. Jamieson: Mr. Speaker, in a sense this is hypothetical in terms of future bilaterals. I can only point out that the negotiations were designed to add extra points for these airlines rather than to switch from existing locations to another location. In other words, so far as I am aware the Alitalia airline would probably use both Montreal and Toronto. That was the whole name of the exercise.

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PRICES AND INCOMES COMMISSION

COMPLETION OF INTERIM AND FINAL REPORTS—CONTINGENCY PRICE AND WAGE CONTROL PLAN IN VIEW OF POSSIBLE INCREASE IN INFLATION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is directed to the Prime Minister. In view of the Prime Minister's statement late last week to the effect that a small contingency group will be staying on to wind up the work of the Prices and Incomes Commission and undertake contingency planning, can the Prime Minister inform the House when the editing and translating of the series of reports and the final report of the PIC will be completed and, in particular, whether a contingency plan is being prepared for the implementation of price and wage controls in view of a possible increase in inflation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, with regard to the first part of the question, I believe I had occasion to tell the House that the report was expected toward the end of June. Of course it is impossible to say exactly when; it might be a bit before or a bit beyond. This is one of the reasons why a small group is being kept on to continue the editing. With regard to the second part of the question, the answer is the same as has been given on previous occasions. The government has all kinds of contingency plans in the eventuality of a sudden upsurge of inflation, and if any announcement has to be made it will be made.

Mr. MacDonald (Egmont): In view of recent predictions by the chairman of the commission that we are or shortly will be facing a new burst of inflation, can the Prime Minister inform the House whether plans are now being developed for a new initiative to involve both labour and industry in a joint program to hold the line on prices and wages and therefore on consumer costs?

Mr. Trudeau: Mr. Speaker, the opinion of the chairman of the commission is one, of course, which we consider with great attention. As to the plans themselves I repeat, if there are any to be made known they will be made known.

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• (1440)

ENVIRONMENTAL AFFAIRS

STEPS TO PROTECT FRASER RIVER VALLEY FROM FLOOD THREAT

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, my question is directed to the Minister of the Environment. Having regard to the depth of mountain snow in the area and the potential heavy run-off in the Fraser River Valley, can the minister indicate whether the steps so far taken by the various authorities concerned, federal, provincial and local, are sufficient in his opinion to protect the valley from this flood threat?

Hon. Jack Davis (Minister of the Environment): The flood threat at this stage is not exceptional. While there is a heavy snowpack, the run-off depends very much on the conditions of temperature, wind and so on over the next six weeks to two months. The situation is being carefully watched and, of course, the diking program in the lower Fraser Valley is proceeding on schedule.

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POST OFFICE

CONTRACT NEGOTIATIONS WITH UNIONS—PRESENTATION OF FORMAL OFFER BY GOVERNMENT

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, may I direct this question to the Postmaster General. In light of the admission last week by the President of the Treasury Board that the government has not yet made a formal offer in the present contract talks and the growing unrest in the unions, as indicated by the demonstration on Parliament Hill, can the Postmaster General inform the

House when an offer will be made to ease the growing tension?

Hon. Jean-Pierre Côté (Postmaster General): Soon, Mr. Speaker.

Mr. Dinsdale: Have the negotiations which were broken off last week been resumed, or does the Postmaster General intend to wait until there is a repetition of the 1970 rotating strikes?

Mr. Côté (Longueuil): They resumed yesterday, Mr. Speaker.

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UNEMPLOYMENT INSURANCE ACT

SUGGESTED AMENDMENT TO REMOVE ENTITLEMENT TO VACATION PAY AS GROUND FOR REFUSING BENEFITS

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I have a question for the Minister of Labour. Will the minister consider bringing down an amendment to the Unemployment Insurance Act to ensure that entitlement to vacation pay will no longer be a ground for refusal to pay unemployment insurance benefits?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the Minister of Labour is not on the roster for duty here today. As for the basic question the hon. member has asked, the matter has been under consideration for some time. If and when the regulations are to be amended, an announcement will be made in the usual manner.

* * *

IMMIGRATION

INQUIRY AS TO WHITE PAPER AND LEGISLATION TO REMOVE DELAYS IN HEARING APPEALS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Can he advise the House whether he has been able to make more progress than his predecessor in retrieving and publishing the long-promised white paper on immigration? Can he also say whether we can expect to see before long the necessary changes to the Immigration Appeal Board Act brought down to relieve the intolerable situation now facing immigrants who have appeals in process?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): I do not anticipate any early introduction of legislation in this area. However, we have been reviewing the administrative practices and the regulations to determine whether in some way we may be able, by these means, to facilitate or speed up the appeal procedure and thus remove some of the hardship unintentionally caused to many people who would make very wonderful Canadians.

Inquiries of the Ministry

IMPLEMENTATION OF SEDGWICK REPORT RECOMMENDATIONS CONCERNING APPEALS

Mr. Lincoln M. Alexander (Hamilton West): In light of the fact that the government retained the services of Mr. Joseph Sedgwick, Q.C., who submitted a significant report with respect to the problems surrounding immigration appeals, and in light of the fact that there are countless thousands of appeals pending, can the minister advise the House what has become of this report and whether the government has moved to accept any of its recommendations? Has there been a move on the part of the government to accept any of the recommendations submitted by Mr. Sedgwick and, if so, which ones?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I could hardly be expected to announce which ones have been accepted. Let me say that Mr. Sedgwick is a highly respected Canadian and I have read his report with a great deal of interest. I am sure the whole House shares my opinion that the country should never stray from a small "l" liberal policy in the area of immigration. If so, some of us would not be here.

PROVISION OF CANADIAN CITIZENSHIP TO CHILDREN BORN OF CANADIAN WOMEN OUTSIDE COUNTRY

Mr. Edward Broadbent (Oshawa-Whitby): In view of the fact there is not to be a white paper issued in connection with changes in immigration regulations and, consequently, no new legislation in the near future, would the minister assure the House that he will take steps to have the law as it now stands changed immediately to provide that a child born to a Canadian woman outside this country would have the same automatic right to Canadian citizenship as a child fathered by a Canadian male has now?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): I heartily endorse the concept. I think this is an unintentional form of discrimination of which nobody in this House is proud, and when the act regarding citizenship is brought forward for amendment at the appropriate time by the appropriate minister I am sure it will reflect a more enlightened approach.

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RESEARCH

PROGRESS IN DEVELOPMENT OF FUR FARM CENTRE

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I wish to direct my question to the Minister of Agriculture. On October 29, 1970, on November 17, 1970 and again on October 18, 1971, I questioned the minister on what progress was being made in the establishment of a fur farm research unit as a component of the national research centre. Can the minister now give the House the information made available to him as a result of his inquiries?

Hon. H. A. Olson (Minister of Agriculture): The answer is about the same as I gave earlier to the hon. member. Establishment of a fur farm research unit within the green belt farm has been under planning for a long time and is still being planned, but I cannot give the hon. member a specific date by which all of it will be built and operational.

[Mr. Mackasey.]

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PENSIONS

OLD AGE SECURITY—INVESTIGATION OF LOSS OF PENSIONERS' CHEQUES IN TORONTO—ISSUANCE OF DUPLICATES

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I have a question for the Minister of National Health and Welfare, but in his absence I should like to direct it to his very capable parliamentary secretary. It is my understanding that a number of old age security cheques have been lost in the Toronto region recently. I wonder whether an investigation has been conducted and what steps will be taken to correct this situation?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Minister of National Health and Welfare): Yes, Mr. Speaker, an investigation is under way in this connection. Like in the case of the Creditistes, we did manage to find some.

Moreover, I want to assure the House that new cheques will be issued and sent to all those who have not received the first one.

As for the other investigation, it is a lost cause. It seems to us that Social Credit is going—

[*English*]

Mr. Cafik: Can the parliamentary secretary tell us the date by which it is expected these cheques will be received?

[*Translation*]

Mr. Ouellet: Within the next few days, Mr. Speaker.

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[*English*]

CANADIAN BROADCASTING CORPORATION

REQUEST THAT ARRANGEMENTS BE MADE FOR TELEVISING OF GAMES IN NATIONAL HOCKEY LEAGUE FINAL SERIES

Mr. Robert Simpson (Churchill): Mr. Speaker, in the absence of the Secretary of State I should like to direct my question to the Prime Minister. With reference to the NABET strike and the disruption it is causing to CBC television programs and with particular reference to the fact that people in isolated areas who only have the one service are the only ones being deprived of the opportunity of viewing the National Hockey League final series, can the Prime Minister tell us whether any consultations have taken place between the government and the CBC in an effort to have the CBC pick up these games from the United States network and televise them in Canada as was done during the final stages of the regular season? If not, will the Prime Minister look into that possibility?

Right Hon. P. E. Trudeau (Prime Minister): I will be pleased to transmit the hon. member's representation to the minister concerned.

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GRAIN

RAPESEED—SUGGESTED LEGISLATION TO CORRECT INEQUITIES IN PRICING SYSTEM AND OFFSET ACREAGE DECLINE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the minister in charge of the Wheat Board. In view of the very serious decline in rapeseed acreage this year as indicated by growers' intentions respecting planting at this point, amounting to a reduction of some 25 per cent, will the minister give consideration to bringing down legislation to correct the inequities that now exist in the pricing system on the part of the grain exchange and the grain companies so that this product will be more attractive and acreage under rapeseed will not further decline?

• (1450)

Hon. Otto E. Lang (Minister of Justice): I should think the hon. member would know that the present position and price levels for rapeseed have indeed made it attractive compared with other grains, and that considerations on the part of farmers are likely in other directions, including cultivation practices and so on. Certainly the question of the best kind of market is still important and is continuing to receive the consideration it deserves.

Mr. Gleave: I concede that there may be a difference of opinion as to causes, but will the minister hold some meetings and have certain organizations appear before the Standing Committee on Agriculture in order that a proper assessment of the situation can be made and we can get the sort of relationship in planting which should exist in respect of various crops?

Mr. Lang: Mr. Speaker, this question was fairly thoroughly canvassed last year. I may have some further comment on it when an expected bill is before the House. It has been my fairly clear position that at some point when the producers have had a long enough time to study the report on the rapeseed market there should be a plebiscite on the question of their choice regarding marketing systems. I still think that is the way we should proceed.

REQUEST THAT WHEAT BOARD OFFICIALS APPEAR BEFORE COMMITTEE ON AGRICULTURE FOR CONSIDERATION OF ANNUAL REPORT

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a supplementary question along the same line to the minister. Now that the annual report of the Canadian Wheat Board has been tabled, will he assist the committee on agriculture by having the Canadian Wheat Board officials appear before it to go over their annual report?

Hon. Otto E. Lang (Minister of Justice): I think that may be a worth-while suggestion, Mr. Speaker.

BARLEY—SUGGESTED INCREASE IN INITIAL PRICE TO PROVIDE GREATER INCENTIVE TO PLANT

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, in light of the fact that barley is at present under the Wheat Board and that farmers have indicated through surveys a drop of something like 17 per cent in seeding intentions, does the minister intend to increase the ante, so to speak, or the initial price for barley in order to provide a greater incentive?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the government indicated in the March 1 announcement that the initial price for barley will go up by 5 cents on August 1. This was specifically designed to encourage additional barley plantings.

Mr. Speaker: I have to bring to the attention of hon. members that the question period ends in two minutes. Perhaps we should try to limit supplementary questions before the end of the question period. The hon. member for Mackenzie on a supplementary question.

Mr. Korchinski: Mr. Speaker, in light of the fact that the minister perhaps did not understand my question, I should like to make it clear. I wanted to know whether the minister will further increase the ante over and above the 5 cent increase.

Mr. Lang: Mr. Speaker, very serious consideration was given to the appropriate levels of initial prices for wheat and for barley both during discussions with the Canadian Wheat Board and with representatives of producers' organizations before the decision was taken on March 1. I see no reason to change it at this point.

ACTION ON COMPLAINTS RESPECTING GRAIN DOORS AT WESTERN DELIVERY POINTS

Mr. Bill Knight (Assiniboia): Mr. Speaker, I have a question for the minister in charge of the Canadian Wheat Board. In view of numerous complaints concerning grain doors at western delivery points, is the minister prepared to state what action has been taken or is going to be taken in this matter?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, after meeting with elevator agents in northern Saskatchewan some time ago and having this matter brought to my attention, I in turn brought it to the attention of the appropriate authorities, the railway companies and the Wheat Board. They are giving consideration to the problem and methods of trying to improve the situation for elevator agents.

Mr. Knight: In view of the meetings concerning northern Saskatchewan delivery points and the number of complaints that have come from southern Saskatchewan delivery points, can the minister state whether the railway companies have indicated what kind of changes there may be?

Mr. Lang: Not yet, Mr. Speaker, but I believe the problem in connection with grain doors in northern Saskatchewan is the same as the one in southern Saskatchewan.

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FISHERIES

SWORDFISH—NEGOTIATIONS WITH WASHINGTON RESPECTING RESTORATION OF MARKET

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is directed to the Minister of the Environment and Fisheries. L the matter of re-entry of swordfish in the United States market still being pursued and, if so, when can we expect the mercury count and common sense to attain more satisfactory levels in Washington?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, this decision rests with the United States Food and Drug Administration. As far as I know that authority has not changed its mind and is still insisting that all fish, including swordfish, which enter the United States have less than one-half of one part per million of mercury in them.

Mr. McCleave: Mr. Speaker, I should like to know whether the minister can assure us that attempts are being made to persuade this august body to change its mind?

Mr. Davis: Yes, Mr. Speaker, attempts are being made. In addition, we are endeavouring to convince the health authorities in a number of countries that mercury levels should be set more realistically.

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POLLUTION

INTENTION OF GOVERNMENT RESPECTING PROCLAMATION OF ARCTIC WATERS POLLUTION PREVENTION ACT

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of the Environment. In view of the increasing danger of pollution of our Arctic waters by reason of the recent further discoveries of gas and oil in the area, why is it that the Arctic Waters Pollution Prevention Act, passed in June, 1970, has not yet been proclaimed, and is it the intention of the government to bring that legislation passed by parliament almost two years ago into force?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, that question was asked the other day of the Minister of Indian Affairs and Northern Development and he promised to give an answer to the House shortly.

[Mr. Knight.]

[*Translation*]

DRUGS

DATE OF PUBLICATION OF FINAL REPORT OF LE DAIN COMMISSION

Mr. Roch La Salle (Joliette): Mr. Speaker, I had a question for the Minister of National Health and Welfare but, in his absence, I shall direct it to the Prime Minister.

Is he in a position to tell us when the final report of the Le Dain Commission will be made public?

Mr. André Ouellet (Parliamentary Secretary to the Minister of National Health and Welfare): Soon, Mr. Speaker.

* * *

[*English*]

FINANCE

UNITED STATES INVESTMENT IN CANADA—STUDY OF U.S. DISC PROGRAM TO DETERMINE POSSIBLE CONTRIBUTION TO REDUCTION

Mr. Stan Schumacher (Palliser): Mr. Speaker, I should like to ask the Minister of Finance a question. Has he made any study to determine whether the United States DISC program will contribute to a reduction in United States investment in Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am studying this matter in co-operation with the Minister of Industry, Trade and Commerce.

• (1500)

GOVERNMENT ORDERS

CRIMINAL LAW AMENDMENT ACT, 1972

AMENDMENTS TO CRIMINAL CODE, CRIMINAL RECORDS ACT, NATIONAL DEFENCE ACT, PAROLE ACT AND VISITING FORCES ACT

The House resumed, from Monday, May 1, consideration of the motion of Mr. Lang that Bill C-2, to amend the Criminal Code and to make related amendments to the Criminal Code 1971 Amendment Act, the Criminal Records Act, the National Defence Act, the Parole Act and the Visiting Forces Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. David MacDonald (Egmont): At the conclusion of the debate last night, I was making a few general remarks in respect of one specific aspect of this bill having to do with the abolition of corporal punishment. I want to refer to that again in a few minutes.

At the outset this afternoon I should like to respond in a general way to the bill we have before us and the developing trend in terms of the Criminal Code which I observe as a layman. I suppose for many people the mysteries of the Criminal Code are such that those not directly

involved with peacekeeping and police protection, or judicial and legal affairs, are not considered to be sufficiently informed to grapple with the intricacies of the law as spelled out in the Criminal Code.

Quite frankly, I think that attitude in the past has greatly hampered the understanding, the effective use and the drafting of Criminal law. It is very significant that in recent years more and more people who are not professionally trained in the law, but who are concerned with the functioning of society, generally feel committed to examining the issues as they are put before us and passing judgment on them.

The minister, in his opening remarks last Thursday, referred to the increasing acceptance of the distinction between morality and the law. I think this will be a very important factor in changes which are made in the law in years to come. After all, and I think more people agree with this in a pluralistic society, it is not possible to impose one uniform moral code on a country any more than it would be possible to require all members of a country to adhere to a certain religious group. We believe that in a free society there must be a certain freedom of choice, as well as some responsibility, in relation to the moral framework within which society operates. What is being increasingly attempted by law, particularly in respect of the Criminal Code, is to lay down minimal standards of behaviour, if you like, beyond which we definitely infringe upon the rights and freedoms of our fellow members in society.

Having said that, I realize this will create increasing difficulties for lawmakers and create increasing difficulties in terms of law enforcement. I think we have seen some of these difficulties, because it is one thing to conceptualize an approach to the law in legislative chambers such as this and quite another thing to implement it, particularly during times of very rapid social change. One has to look only very cursorily at the provisions in this bill to realize some attempt is being made at accommodation of the rapid technological changes. There is no question about the fact that the improper handling of such things as skidoos and water skis is dangerous.

Quite frankly, if we are to become involved in the regulation or control of modern means of transportation in our society and create criminal offences in relation thereto, we are creating for ourselves much difficulty in terms of the implementation of such a law. But perhaps to be more specific, we can direct our attention to that part of this responsibility which has to do with increasing jurisdictional discretion, particularly in respect of sentencing. I think we can see only too clearly how many men have become the victims of the judicial system which has been established, simply because it was not sufficiently flexible to accommodate the individual human situation. At present there are many people in our jails and penitentiaries, not necessarily totally because of their deliberate antisocial or criminal behaviour but because at some stage they came up against an inflexible law which did not permit taking into account the particular dilemma in which they found themselves.

We are now saying that those who deal with these problems in the courtroom should, in fact, be able to examine more directly and more fairly the merits of a particular case, and how a particular person should be dealt with. Having said that, and quite frankly congratulating the minister and his officials for introducing these changes in the law, I think we must be prepared to follow through with the next step. I believe we increasingly realize that it is not enough just to establish a better framework in which sentencing procedures can take place, we must be sure that the individuals who administer this system fully understand the implications of these changes.

I think that here the minister will have a substantial job to do, either himself or through his officials, in terms of a program of education. We know that across the country today there is a very great disparity in terms of judicial competence between those who are prepared to listen, one might say with the inner ear, to the specific case being tried at any particular moment and those who seek only to follow an anachronistic system of hard and fast rules in respect of a whole category of misdemeanours. That surely is not a system which can rehabilitate broken and difficult human beings. Further, it is not a system which will offer any eventual protection to society in respect of future similar behaviour. This whole procedure will have to extend right from the time of the police detection or surveillance through to the time of arrest, sentence and imprisonment itself.

I think the Solicitor General (Mr. Goyer) could indicate the difficulties he has encountered in trying to provide a more humane framework in our penitentiary system. I believe he has found, in a number of instances, that the policies and reforms put forward somehow become dissipated when they reach the point of being brought into effect. I believe we should look very carefully at the whole integration of the judicial activity as it extends from the police stage through to the courts and penitentiaries. While we may have the best intentions in the world in respect of improving vastly the procedures laid down within the law, unless the men and women who administer it at the local level understand these changes and can implement them effectively, we will really not correct the situation but will create fear and uncertainty in the minds of those presently administering the law. I would argue that in a situation of uncertainty and fear we may achieve the very opposite to what is intended. I think we have seen some evidence of this in this country in the form of a real reactionary backlash.

From speaking to individuals involved at the institutional level in these reforms or changes which are being made, I have found there seemed to be a good deal of fear and uncertainty, as well as very great misunderstanding, concerning what we are about. I would argue very strongly that having put the foundation in place, as the minister is attempting to do with this legislation, he should regard this as but the beginning of the process. I think some of my colleagues mentioned the need for training programs in human relations, and in respect of the whole complex way in which our society operates, because the whole nature of criminal actions themselves has to a degree changed. I think that to the degree we have changed our attitude concerning what our places of incarceration should be, we must be very careful about how we are to get the greatest return from these institutions.

Quite frankly, I believe one of the greatest wastes of federal expenditure which occurs year after year is the amount of money we spend to maintain men in federal penitentiaries. Now, it can be argued that this money is spent to protect society. In what way does it protect society when we know that almost three-quarters of the individuals presently behind bars upon release will commit further crimes? Does that mean we are dealing with thousands of incorrigibles who in no way can be rehabilitated? I do not think any student of penology today can for a moment accept that as a realistic answer, because we know there have been experiments in other countries and to a small degree in this country, which have indicated that the rate of recidivism can be effectively altered if the whole approach to incarceration is drastically changed. What are we getting for the thousands and millions of dollars spent to maintain men in institutions? We are getting individuals who are being more effectively schooled in anti-social and criminal behaviour. If one wanted to point to the big waste in government expenditure, one could point to the ongoing activity of maintaining the status quo or, indeed, if you like increasing the number of people who will again enter our society and victimize innocent citizens. It is not necessary and it does not have to be that way, but we must begin to take action on this problem. I think the place to start is in the kind of legislation that the minister has placed before us at present.

• (1510)

It is perhaps not often that one can congratulate this government, particularly from this side of the House, and indeed one must do it in a cautious manner, but I think that what we have here are excellent steps in the right direction. Inasmuch as the legislation removes certain anachronisms from the law and replaces them with specific descriptions of some new and more relevant laws, it is worthy of praise from both sides of the House. As I said last night, reform of the law, particularly with respect to the removal of corporal punishment, is significant in that it finally affirms our society's distaste for the use of brutal methods in areas where psychology and rehabilitative treatment could be and should be the order of the day.

It might be of note to point out in passing that the United Kingdom abandoned the crudities of corporal punishment as far back as 1948. It is interesting, and perhaps just a little sad, that it has taken this country almost a quarter of a century to accept and implement a reform so obviously necessary and so clearly needed. To those who argue that there is still some validity in retaining corporal punishment, I would cite, a study that was done twelve years after the implementation of legislation abolishing corporal punishment in Great Britain as a result of which the Home Secretary in the British parliament in 1960 concluded that corporal punishment was not an essentially effective deterrent. The statistics revealed that the abolition of corporal punishment did not result in any increase in the crime rate for those offences for which it was previously imposed. There are many other statements to which I could refer but I will not take the time of the House now on that matter.

However, I should like to point out that this matter has occupied my attention in a formal way for the past four

years. On march 18, 1968, I introduced for the first time—and Your Honour will recall it because you were in the Chair on that occasion—a bill for the abolition of corporal punishment, in which I pointed out that it was obviously a relic of the dark ages and yet in some cases still used. It is interesting to note that later that same day I asked the then minister of justice, now the Prime Minister (Mr. Trudeau), whether or not he would move to include such a provision in the amendments to the Criminal Code which were at that time before the House. He indicated that he was interested in the substance of the bill but doubted whether it could be accepted at that time. Three justice ministers later we have finally included this provision in the Criminal Code, and for this I think all hon. members should be grateful.

Let me turn now to another matter of importance in this legislation, namely the matter of airline hijacking. Discussions with the Canadian Airline Pilots Association indicate that they share with all parties in the House a very real desire for the orderly and rapid passage of this bill. The elements of this bill having to do with hijacking have been called for by all parties for some time now. I think it is perhaps an unfortunate example of the cumbersome bureaucracy of the government, particularly of this government, that it has taken so long for real action to be forthcoming. Unfortunately, we did not have action on this at the time when we could have, because a meeting was held in this country almost a year ago at which agreement was reached on the substance of this issue.

Unfortunately, we have lumped this important issue of skyjacking together with other reforms which perhaps will be controversial and over which there may be much discussion in committee. I am not sure why the government in this instance, realizing the contemporary necessity of getting on with the business of having effective legislation with regard to hijacking, should use the ploy of lumping legislation on this matter over which there is little dispute in the House with other issues on which there could be quite a long discussion. There are clauses of this bill, specifically clauses 25, 26, 27 and 32, which seem to me, as a layman at least, to shift the burden of proof to the suspect in such a way that I wonder whether or not they will really be acceptable either as a precedent or an exception to the rule of British justice. Nevertheless, the much needed tightening of the law with respect to hijacking will be held up until agreement can be reached on all other clauses of the bill.

I want to refer again for a few moments to the matter of corporal punishment, and I referred to this last night, because it would seem there are some who still believe that there is some efficacy and usefulness in retaining this vestige of the past. Particularly today, when there is a certain reactionary mood in the country, nothing, I think, is more symbolic of the early punitive aim of the law than detention and the lash. Those who still advocate their continued use obviously believe that the role of a prison is primarily to punish. It is precisely that view of a prison that is responsible for the alarming rate of recidivism that we have in this country today. Yet, while this principle of reform is excellent and very important, it is important to note that the principle should not stop here.

We are saying, and the minister is saying, that if symbolic punishment exemplified by the means of the whip is no longer acceptable in our federal institutions or as a sentence from the courts, then surely we must say that punishment as a criterion and goal for our federal institutions is as well no longer acceptable. What we have to say is that any institution that oppresses, dehumanizes, brutalizes and torments the inmate is in itself a form of corporal punishment perhaps far more hideous than a whack with a cat-o-nine-tails. What we have to establish is that as long as prison exists to confine as opposed to broaden, to punish rather than to reform and to torment rather than educate, we are administering corporal punishment of the worst variety to almost every single inmate. I think that the government has opened the door, through abolition of corporal punishment, to the recognition of the need to reform our entire penal system.

Of course, I realize that there are never many votes to be gained on the issue of penal reform. It touches far too few of our citizens; it is not a major issue, and so it is probable that this government, like so many in the past, will do little. Nevertheless, the task remains undone and barely begun unless we are prepared to go further along the road of major penal reform. I happen to believe that the deterrent for those who would perform criminal and violent acts, inasmuch as a deterrent exists at all, is the assumption that a person will be detected. I think that any degree of investigation into this area will bring us to the same conclusion. But I think also that there is something totally misplaced in the minds of those who try to judge this in a rational way when they assume that people who commit these criminal acts are acting rationally in the first place. In most cases, if the act is one of a particularly repugnant nature, we are obviously dealing with an irrational act and with a person who, to some degree or other, is acting in a way which we would certainly not describe as normal.

We are concerned, then, about two things. We are concerned that this person should be prevented from performing this act again, and therefore we remove him from society for a time. But tied to that psychology has been the concept of punishment. Now, we are saying that the time has come to regard the recognition of a second, and perhaps even more important priority, and that is the long term interest of society and the individual. We must ensure by all possible means that when an individual comes back into society, he comes back as a different individual. This makes obvious sense, both for his own welfare and for the rehabilitation of his own dignity. Also, it makes sense in terms of society as a whole, because if we release on a daily or weekly basis people into our society who are still sick, who are still on the verge of some kind of violent or criminal act, in what way have we provided protection for the innocent in our society? We have not, and therefore we must admit that to that extent we have failed. I think we must realize that in the change that is being made with respect to corporal punishment we are making a fundamental change with respect to the whole concept of punishment, rehabilitation and protection of society. I hope that many will consider this bill in terms of the improvements that we will be making to society in general.

• (1520)

Before I take my seat, I should like to refer to one final matter dealt with in the legislation which I think is quite important, both in itself and by implication. It has to do with the recognition of the right of men and women to participate in jury duty in this country. I think it has been one of the continuing sex anomalies that, at least until this bill was presented, it has not been possible in all cases for women to participate in jury duty. We have continued to embrace, through that anachronism, a kind of second class citizenship for the feminine members of society. I think that the minister and his officials should be congratulated for taking the step they have. Also included in the bill is the change regarding soliciting, which recognizes that the converse of women soliciting for men can be equally true.

I mention these two changes simply to point out that this is but the tip of an iceberg. Increasingly, reports are being placed before us which indicate that in our society there has been a definite, perhaps altogether too subtle at times, discrimination against women. I think that we should treat each and every piece of legislation that is brought before this House with great care so as to make sure that we recognize each individual in his own right and do not discriminate, be it on the basis of race, class, religion or sex.

I trust that we shall have many further opportunities to discuss this legislation, and in particular the provisions I mentioned having to do with some presumption of guilt which I hope will be elaborated upon by the minister when he appears before the committee.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to say a few words on the bill as a layman, not a person with legal talent but rather as one who becomes concerned with the type of treatment many people in our society are receiving today. All too often we in this House and those in the courts of the land pass and deal with legislation when all we are doing is using our direct judgment of the moment. Unless some realistic and humane consideration is given the legislation that we pass, then nothing is going to be resolved so far as the amendments before us are concerned. If we are to be consistent in this House of Commons we should give consideration to those people who, in the last resort, will make the final judgment on those who are covered by the legislation.

It appears to me that all too often those who have to make that final decision let their bigotry get the best of them. All of us remember what happened in Toronto not long ago when a justice of the peace deliberately let his bigotry get the better of him and some people suffered in the process. No doubt the minister will look at this situation and will carefully scrutinize those who in future are appointed to a position where they make a final judgment on others, to ensure that they are themselves able and capable of appreciating the social consequences of any sentence they may impose.

My colleague, the hon. member for Broadview (Mr. Gilbert), dealt at length with the various sections of the bill and I have no intention of recovering that ground at this time as a layman. Let me deal, as did the speaker before me, with some of the provisions in the hijacking section. I

believe the time has long passed when these provisions should have been brought in, even if it were necessary to bring them in as separate amendments a year or two ago. Even if some amendments are made to the present provisions in the bill dealing with hijacking, we still have to ratify both the Hague and the Montreal conventions following approval of the Criminal Code amendments. It seems to me we spend a lot of time in this House spinning our wheels, so to say, not getting very far with the very specific legislation required to deal with a situation that has come upon us within a very short space of time. I have listened to the observations of those who are in the position of making this kind of decision and who suggest that in the very immediate future they will be taking some action concerning the situation confronting us. I am wondering whether the "very immediate future" means in one month, two months, one year or two years.

We all realize the serious situation regarding the kind of hijacking that has been going on during the last while, and if the minister is really concerned about this, surely some immediate action could be taken to alleviate the problem confronting the Canadian Air Line Pilots Association, the travelling public, and others who face the dilemma of whether to travel by air in view of the frightening situation that exists. As I have said, even with the passage of the bill we still have to ratify The Hague and the Montreal conventions. I hope the minister will keep in constant touch with his colleague, the Minister of Transport (Mr. Jamieson), so that this matter can be taken care of as soon as this bill gets through the committee and comes back to the House, with whatever amendment may be made to it.

The hon. member who preceded me spoke of some prison situations, and in the short time that I have been a member of parliament I have had the opportunity, along with some of my colleagues, to visit both the Prince Albert penitentiary and the new Millhaven penitentiary. The latter visit did not turn out too well, since the minister decided that as members of parliament we should not perhaps go there to see what is going on behind the scenes and we were asked to leave the premises.

However, at the Prince Albert penitentiary we talked to the inmates and found all too often that the only concern of the people running the institution was to make sure the inmates were subjected to the utmost confinement. They were positive that that was the way to bring rehabilitation to the inmates. They were not concerned about rehabilitative measures that embraced technical schools and the technical courses which are available in some penitentiaries. Instead of that, they tried to ensure that the prisoners were confined to their cells for the majority of their time. Not surprisingly this only makes the prisoners bitter, and when they are released at the end of their term they vent their bitterness on society for dealing with them in this unjust way.

Even though the Millhaven penitentiary is nice and shiny, with all modern conveniences, if no real consideration is given to how prisoners in penitentiaries are treated, then what can we expect as far as law enforcement is concerned? I am sure we all recognize that our police forces try to do a good job, but when they are confronted with people who have become better as a result of serving a term in a penitentiary how can they cope with them? With my limited knowledge, I am still of the opinion that those people involved with welfare committees, those who do not have anything, believe that the law of this land deals with them unjustly and that we in this House of Commons must become concerned if we want people to respect the law.

[Mr. Skoberg.]

• (1530)

Mr. Speaker, I believe that the people who say that the law is applied in two ways have a case. I am sure the minister has run into the situation, as we all have, where people with money and position seem to be able to get away with murder, while all too often people on welfare receive the full effect of the laws passed in this House. It would appear that if you have money you can hire someone to get you off the hook. I hope that the minister realizes it is not good enough to have the best legislation in the world; we still need the realistic and human touch of those who mete out the sentences under the legislation.

I would like to suggest to the Minister that, in addition to the submissions made by the Canadian Airline Pilots Association, in addition to the submissions made by the poor people's associations and the welfare groups and others who feel they are being dealt with unjustly, when appointments are made to the various positions he give consideration to the social sciences involved in those positions, which many people now consider to be most important.

Mr. Speaker: Order, please. If the minister speaks now, that will close debate. The hon. Minister of Justice (Mr. Lang).

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the debate in this House on Bill C-2 would lead one to believe that we should have a fruitful discussion in committee as we move toward the passage of these new measures into law. The committee will be a more appropriate place for me to deal in detail with some of the comments of individual members on particular clauses or aspects of the bill, including such matters as the present status of the breathalyzer.

I should like to join with the hon. member for Vancouver-Kingsway (Mrs. MacInnis) in her remarks of appreciation to Senator Fergusson for the lead she took in the other place in connection with the provision of clauses which would put women in the same position as men for jury duty. It was an oversight on my part not to give credit to Senator Fergusson in this regard, and I appreciate the reminder.

Members on both sides have generally spoken in favour of the changes in regard to corporal punishment. I was somewhat astonished, not by the opposite point of view being taken by a member but by the tone taken by the hon. member for Edmonton West (Mr. Lambert). As I say, I can understand an attempt to make an analytical argument in favour of the deterrent effect of corporal punishment, but I was slightly astonished at his tone which seemed to suggest that by wanting corporal punishment removed the rest of us were on the side of crime. This, I think, is an unnecessary and inflammatory position to take.

Some hon. Members: Hear, hear!

Mr. Lang: It is even more unusual when taken with the fact that almost all members who spoke on both sides of the House have made clear their support for finally moving into a position of removing corporal punishment.

Mr. Knowles (Winnipeg North Centre): Especially his own colleagues.

Mr. Lang: I should make one further clarification, Mr. Speaker. There was a reference made to some slightly ambiguous words which I used in connection with there perhaps being a case for corporal punishment. I did make it clear in my words, as did the Solicitor General (Mr. Goyer), that this does not apply in the penal system in general. I was simply reserving the position for the head of a family and his role in this regard where the atmosphere is rather different from that in a penal institution. That is precisely the contrast I would draw—if corporal punishment may be imposed in the atmosphere of the family, presumably with love, I might take a different view of it in other settings.

Mr. Knowles (Winnipeg North Centre): There is no right of appeal there!

Mr. Lang: Mr. Speaker, I could not end the debate without commenting on the many things said by the right hon. member for Prince Albert (Mr. Diefenbaker), who spoke against both corporal punishment and capital punishment and surveyed the general need in our law to impose order through effective enforcement and also the need for general flexibility and the movement of the law toward a reasonable stance. I think these remarks completely fit in with the distinguished legal career of the right hon. gentleman, and I should like to applaud them at this time.

In the course of subsequent remarks there was some confusion concerning the clause dealing with common assault. To some extent the Parliamentary Secretary to the Solicitor General (Mr. Hogarth) has corrected one impression in this regard, namely that we are now indeed increasing the penalty in regard to common assault and turning it into a summary conviction offence. There is a further point which should be clarified in regard to increasing penalties. For assault causing bodily harm, the option is given to the accused to choose the method of trial rather than being forced to go before a magistrate.

I should say one further thing when dealing with specific sections in relation to what the Parliamentary Secretary to the Solicitor General said. By previous amendments to section 589 of the Criminal Code, it is open to a court to sentence an accused to a lesser offence, even if that be a summary conviction offence and even when the accused is before the court on an indictable offence. I think I should say that simply to set the record straight.

Many of the other subjects to which hon. members referred are under serious study both by the Law Reform Commission and by the department as we seek the material for the next omnibus Criminal Code amendments. As I have said, Mr. Speaker, I think it is important for us to continue to proceed quickly in response to clearly forming opinion about the changes needed in our criminal law to make it ever more responsive to generally understood and reasonable approaches to the law. We must always seek additional ways to ensure that the law treats all persons as fairly as possible, rich and poor alike. That means removal of discrimination whether it be in the letter of the law itself or in the attitude of judges and others who operate within the legal system.

These are the objectives we must pursue. We must not assume that they are easy to attain, but by keeping them in sight we might hope to make progress toward them.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

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PROTECTION OF PRIVACY BILL

AMENDMENTS TO CRIMINAL CODE, CROWN LIABILITY ACT AND OFFICIAL SECRETS ACT

Hon. Otto E. Lang (Minister of Justice) moved that Bill C-6, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

• (1540)

He said: Mr. Speaker, the legislation before the House proposes the addition of a new part to the Criminal Code, specifically, Part IV.1 "Invasion of Privacy". The form of the legislative is prohibitory; that is, certain conduct is prohibited and described as criminal, its purpose being to protect rights of privacy against invasion.

The particular right of privacy which is recognized and protected is the right of individuals to communicate with each other where the circumstances are such that it is reasonable for them to expect that the communication will not be intercepted by others. The only kind of interception which is prohibited is that done wilfully by means of an electromagnetic, acoustic, mechanical or other device.

Over the last few years there has been an increasing body of evidence of the technological advances made in surveillance techniques. It has become possible for almost anyone to penetrate the privacy of offices and homes, to watch and listen to people in public places and to listen in on their communications by telephone, telegraph and radio. All of these things can be done without detection, without evidence that the invasion has taken place; and it can be accomplished through the use of electronic gadgetry which is not too expensive and which is becoming increasingly available.

Privacy must mean the right to be let alone, to live one's own life with a minimum degree of interference. The extent to which an individual gives up that privacy by communicating with others or associating with others in society must remain a matter in respect of which he has freedom of choice. Of course, it is not an absolute right,

because being in society requires acceptance of some responsibilities by him and intercourse with his fellow citizens. Each individual requires individual privacy to nourish his individual creativity, to preserve his personality balance and develop his individuality. There are parallel needs in group activity and in the growth and development of each individual and group in society. There is a constant search for the proper balance between the needs for privacy and for disclosure.

In order to achieve the greatest freedom for an individual in society, there must be a proper balance with respect to the gathering and disclosure of information by government. A small area of secrecy for government is necessary to preserve the integrity of secret information and the privacy of internal policy-making processes, but those processes must be made public when the need for secrecy has gone. In any event, there must be sufficient publicity of government matters so that the people will be able to form proper judgments in political matters based on the facts. It is in this context that I propose this legislation which recognizes in individuals the right of privacy and which will protect an invasion of those rights.

A study of electronic surveillance and invasion of privacy was commenced in the Department of Justice some years ago to further work which had been done by committees of the Canadian Bar Association. This subject was debated at the 1968 Annual Convention of the Canadian Bar Association, at the conclusion of which the resolution adopted was presented to the then minister of justice.

There have been a number of private members' bills going back for seven or eight years which proposed legislation dealing with this subject matter. Some of those private members' bills were referred to the Standing Committee on Justice and Legal Affairs, together with a general direction that the committee consider and report on the subject matter of electronic eavesdropping on November 25, 1968. That same order of reference directed the committee to recommend legislative action. The order of reference was continued by further order on November 21, 1969. The committee reported to the House on March 11, 1970. During the course of its deliberation it heard evidence from a number of witnesses and considered a number of submissions made in writing.

I think it would not be inappropriate for me to say that the committee deserves commendation for the work which it did and I should like, too, to say that the many people who made submissions to the committee and subsequently to my department or those who appeared for the purpose of giving evidence should be recognized as having made responsible contributions to the democratic process.

The legislation which is now proposed is almost identical to the bill which was introduced by the Minister of Finance (Mr. Turner), my predecessor as minister of justice, on June 28, 1971. An opportunity has been granted to the hon. members of this House and to all citizens of our country to consider the proposals and to make known their views with respect to these proposals. A good number of them have been considered in the Department of Justice, and I imagine that all of the members here have had full opportunity to consult with their constituents about these proposals.

The bill before the House would make it an offence, for the first time, wilfully to intercept a private communication by means of electromagnetic, acoustic, mechanical, or other devices. A private communication is any oral communication, or telecommunication, made under circumstances in which it is reasonable for the originator thereof to expect that it will not be intercepted by any person other than the person intended by the originator to receive it. Intercept means to listen to, record, or acquire a communication, or acquire its substance, meaning or purport. An offender would be liable to imprisonment for five years.

It would also be an offence to possess, sell, or purchase any electromagnetic, acoustic, mechanical or other device, or any component thereof, knowing that the design thereof renders it primarily useful for surreptitious interception of private communications. Conviction for this offence could bring imprisonment of up to two years.

A third new offence would be with respect to the disclosure of any information obtained by a person by means of an unlawful interception; or by disclosure, without proper authority, of information obtained lawfully. A sentence of up to two years imprisonment is provided for this offence.

The two basic exceptions to the general prohibition against interception of private communications would be in cases, first, where the interception or seizure is directed towards prevention or detection of espionage, sabotage, or any other subversive activity directed against Canada, or detrimental to the security of Canada, and where such interception or seizure is necessary in the public interest; or second, where an authorization has been obtained from a judge of a superior court of criminal jurisdiction in aid of a criminal investigation.

Provision is also made in the bill for certain other exceptions. Interceptions would be excused where a person intercepts with the consent of only one of the parties to a communication, or where the interception is necessarily incidental to the ordinary duties of a person engaged in providing a telephone, telegraph or other communication service to the public.

Before a judge grants an authorization to intercept a private communication, he must be satisfied that (a) other investigative procedures have been tried and have failed; (b) other investigative procedures are unlikely to succeed; or (c) the urgency of the matter is such that it would be impractical to carry out the investigation of the offence using only other investigative procedures.

Any application for an authorization must be in writing and signed by a peace officer or public officer specially designated for that purpose by the Solicitor General of Canada or an attorney general of a province. Authorization can only be granted in respect of indictable offences, and the interception so authorized will not be valid for more than 30 days. There is, however, provision for renewal if the judge is satisfied by further evidence that it is necessary.

Provision is made for an emergency permit to intercept for a period not in excess of 36 hours if an attorney general or the Solicitor General of Canada or a peace officer or public officer designated in writing by him is satisfied that circumstances exist that would justify the

giving of an authorization for the interception of a private communication and that the situation requires that the interception commence before an authorization could, with reasonable diligence, be obtained. However, under such emergency procedure, an application for an authorization or approval would have to be made as quickly as possible.

Consideration was given by the Standing Committee to whether the authorization to intercept communications should be granted by a judge, a responsible minister, or by some combination of the two. Testimony before the committee was divided on this issue. As I have noted, the proposed legislation is that an application would have to be made to a judge of a superior court for an authorization. It is suggested that a judge is able to consider the application from a position of impartiality and thus bring to these procedures an assurance that they are not used freely and without control by law enforcement officers.

On the other hand, it is said that this is not the proper role for a judicial officer, because the application is ex parte, and he is not in a position to judge in the usual sense; that an attorney general is politically responsible for his conduct and can be subject to questioning should any controversy arise about the manner in which he has discharged his responsibility. The proponents of this view point out this is not so in the case of a judge who cannot be questioned and is obliged to remain silent in the event some criticism is levelled; he must remain as a judicial person, impartial and unable to engage in controversy or explanations.

• (1550)

The bill proposes a new approach to the law relating to admissibility of evidence which has been illegally obtained. At the present time, the test of admissibility of evidence in criminal proceedings is whether the evidence is relevant to the issue before the court and no regard is had for the question of how the evidence was obtained. The Standing Committee on Justice and Legal Affairs recommended a change in the existing law in so far as it related to the unauthorized interception of private communications. However, the committee went on to recommend that any evidence discovered or derived from an inadmissible statement could be received in evidence.

This is the approach which has been taken in the proposed legislation. There are competing points of view and on each side of this question there are arguments, many of which have been forcefully presented both to the standing committee during its deliberations and afterwards to the Minister of Justice when this legislation was first proposed to the last session of this House. I feel sure that both sides of the question will be examined again by the Standing Committee, but in the meantime I believe I should set out here some of the salient points on the two sides.

The provisions of section 178.16(1) amount to a rule of evidence applicable to all criminal proceedings and to all civil proceedings and other matters whatsoever respecting which the Parliament of Canada has jurisdiction. Arguments which have been advanced by those people who favour the introduction of this rule are of two types. The first relates to participation by the government and the courts in illegal conduct. It is said that by acquiring and using evidence illegally obtained, the whole law enforcement and judicial process becomes tarnished and that respect for it diminishes. On the other hand, it is argued that a law which permits a preliminary finding of illegality in the manner of obtaining evidence to stop consideration of facts otherwise admissible and germane to the issue of truth likewise brings disrespect for the administration of justice.

But the principal argument advanced in the United States in favour of the exclusionary rule, where it has been in effect for more than 50 years, is that it will deter law enforcement officials from illegal behaviour and will have the long-term effect of encouraging greater conformity by invoking the moral and educational force of the law.

The arguments advanced against the adoption of the exclusionary rule appear to be based on the premise that the true function of the administration of justice is to establish truth in matters coming before the courts and that a court should not be refused access to facts relevant to the search for truth. This is not to be confused with the confession rule because there evidence is refused on the theory it might not be true. The civilized conduct of criminal trials must not be confined by mechanical or artificial rules. The inquiry which must be made here is whether the exclusionary rule is merely apparent rejection of approval of illegal conduct without effect or whether it is necessary control. A detailed examination of this question can be made before the standing committee, but I would like to note that until just recently there was no provision in the United States that the federal government is liable for damages for illegal interception by its employees. When the exclusionary rule was invoked there and implemented, the deterrent effect of tortious liability was not available. The legislation I propose does contain amendments by which the federal government would be vicariously liable. The opponents of the rule argue that the United States experience is clear evidence that the rule is not effective as a deterrent force.

In the legislation I propose, there are three ways by which unlawful or unauthorized interception should be deterred. In the first instance, the conduct is criminal bringing with it the sanctions I have mentioned. Second, the individual wrongdoer is liable in damages, both actual and punitive. This liability extends to the federal government for damages flowing from the illegal acts of its employees. The third deterrent force proposed is the exclusionary rule, but its opponents argue that the other two sanctions are sufficient. It is on that question we no doubt will have further comment. Before an intercepted private communication could be used in a trial, notice of the intention to use it, together with a transcript of the contents, would have to be given to the accused person.

A disclosure of the existence of a private communication or the contents thereof would be prohibited except where the disclosure is made in the course of giving evidence under oath, in connection with duties related to a criminal investigation, in the course of normal operation of a telecommunication system, or where a disclosure to a peace officer is intended to be in the interest of the administration of justice.

The bill would also amend the Crown Liability Act to provide that where a servant of the federal Crown commits an offence under the provisions of the act, the federal government would be liable for all loss or damage caused by his actions. Provision is also made for the recovery of punitive damages in an amount not exceeding $5,000.

Another safeguard proposed is that there be a full reporting system. The Solicitor General of Canada would be required to prepare and lay before parliament each year a detailed report relating to applications made, authorizations granted and refused and interceptions carried out. Details would also be required on emergency permits. The attorney general of each province would be required to prepare and publish a similar report. The purpose of these provisions is to bring to the public notice of what activities have taken place in the past year.

Mr. Douglas: Mr. Speaker, may I be permitted to ask the minister a question. With reference to the temporary permits granted by an attorney general of a province and the other authorizations in the province which are instigated by him, to whom is his report made? Is it made to the legislature or to the Solicitor General of Canada and tabled in the House of Commons at the same time the Solicitor General makes his own report?

Mr. Lang: Mr. Speaker, the bill in its present form is silent as to how the report should be made public. It simply requires it. In that sense, it leaves it up to the individual attorney general to satisfy the requirement. I think it could be satisfied in any of these ways, including tabling in the legislature by the attorney general, making it public without tabling or by returning it to the solicitor general for tabling here. We think any of those ways would be satisfactory. It is a political accountability in action, and the furtherance of a discharge of responsibility which I mentioned earlier that the government should inform the people of the manner in which their business is being conducted.

The proposed legislation recognizes a right of privacy. Its purpose is to protect that right from invasion involving modern technological surveillance techniques. I believe it does accomplish this purpose, while maintaining the balance between the rights of an individual and the rights of all individuals as protected by the state.

Again, as with the legislation amending the Criminal Code with which we have just dealt, I anticipate useful comments by members opposite in the House and in committee. I look forward to the adoption of this legislation. We have long recognized the need for a move in the field of protection of privacy. Most of us also recognize the need to balance this with adequate power for enforcement officers to perform enforcement functions for the protection of us all. This legislation, which seeks to find that balance, is important. I think it will make a useful contribution to the law and I commend it to hon. members.

Some hon. Members: Hear, hear!

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, on behalf of the members of the House, I want to thank the Minister of Justice (Mr. Lang) for the full statement he has made on the purposes of Bill C-6. The subject matter of this bill has percolated through the parliamentary process over several years. I think mention should be made of a measure introduced at one time by the hon. Mr. Justice Larry Pennell of the Supreme Court of Ontario. If one examines the report embodied in *Votes and Proceedings* of Wednesday, March 11, 1970 one will find there were measures presented by the hon. member for Surrey-White Rock (Mr. Mather), the hon. member for Timiskaming (Mr. Peters), the present Minister of Communications (Mr. Stanbury)—I hope I have identified Mr. Stanbury correctly—and the hon. member for Winnipeg North (Mr. Orlikow). Thus, because it has received good support, I believe the passage of the bill before us will be easier than had the subject been freshly introduced.

• (1600)

One of the provisions in this bill represents a signal victory for the parliamentary committee system over the government. Another provision leaves much to be desired—I shall draw attention to both these aspects as my short speech progresses.

First, as to the purposes of Bill C-6. As I say, there are really three main provisions. Wire tapping becomes illegal, though it can still be done under certain circumstances under an element of judicial control. There is provision, in the second place, for civil liability to be accepted by the Crown. This is interesting, because when the question of wire tapping as a James Bond tactic is raised, the Crown looks innocent and says such things do not happen. Now, it says: they do not go on, but we shall assume liability and responsibility should they go on and should damages be awarded. This is in harmony with some of the Alice in Wonderland aspects of modern society. The third point is that wire tapping becomes legal if it relates to the security of the country. It is the provision of the law in the absence of adequate safeguards that I shall be challenging later in my speech, and also when the measure goes into committee. I shall try to make at least a suggestion which might be considered by other hon. members, by ministers and by the government, and if this formula for safeguards is not sufficient, I hope someone will come up with an acceptable formula for safeguards with respect to the third element.

It might be noticed that though the Minister of Justice (Mr. Lang) is piloting this measure through the House and presumably before the committee, it will be his colleague on the legal side of government, the Solicitor General (Mr. Goyer), who will be receiving reports. I mentioned earlier that there was a victory for the parliamentary committee system implied in one provision which is contained in Bill C-6. This was the element of judicial control. The predecessor of the present Minister of Justice had made a case for control by the Minister of Justice himself. To do the minister justice, and he always does himself justice when he makes his arguments, he was making a case on the grounds that, while the Minister of Justice is a political animal he is also an accountable animal, whereas a judge of the Supreme Court is not. In short, that if abuses spring up with regard to permission to operate wire taps, the Minister of Justice would be embarrassed if these abuses were sufficient to cause a public outcry, and this in itself would be a deterrent to abuses of the system. However, the committee felt, on reflection and on balance of

opinion that it would be better to make these wire taps subject to judicial control.

This particular point is made at page 563 of the same issue of *Votes and Proceedings* as I alluded to earlier, under the heading "The Choice between a Responsible Minister and a Court".

> Testimony before the Committee has been divided on the issue of whether the authorization to intercept communications should be granted by a judge, by a Minister, or by some combination of the two. In the United Kingdom, authorization is granted by a Minister, without, however, any political or public visibility. In the United States, authorization is granted by a judge upon application by a prosecuting attorney, with political and public visibility. Having considered the alternatives, a majority of the Committee has decided to recommend that the decision to apply for authority to intercept communications should be made by a responsible Minister of the Crown, based upon a request to the Minister by law enforcement agencies. The responsibility for the decision as to whether or not the request for authorization to intercept communications should be granted should be vested in a judge of a superior court of criminal jurisdiction.

This is the decision the government has taken, and I think it is a wise one. It will undoubtedly save a lot of flak when this measure is considered in committee. If the bill has any defects, they are as follows: it does not deal with the vast amount of technological data which has been assembled, or is being assembled on most of us in Canada, and it does not deal with the question of governmental surveillance. These details have been noted by others, so I do not press them particularly, though I would note a speech made by one of the leading bureaucrats, a former member of the Parliamentary Press Gallery, Mr. Richard Gwyn, delivered to the 47th Annual Couchiching Conference at Geneva Park in August, 1971. Mr. Gwyn, who is a director of the Communications Department's socio-economic planning branch, stated that the government collects far more date than it needs on individuals and that the handling of this data was often sloppy. There was, he said, "a vast wash of information about individuals floating about Ottawa". Later he stated, according to the report which appeared in the *Globe and Mail* on August 7, 1971:

> It cannot be safely said that computers are only tools in the hands of human beings who make the decisions. I am more convinced of the possibility that machines do change our environment and do change the nature of decisions, limit the nature of the changes, emphasize some and deemphasize others that we are able to make.

Computers, he went on to say, would demolish the usual safeguard of inefficiency in the manual handling of files. He added:

> Government inefficiency has always been one of the great protectors of civil liberties. Civil servants will not give up their data banks to each other.

So, with the advent of increased efficiency we lose some of the protection we enjoy against governments. This illustrates the point I am making that we are still not dealing with the subject from the point of view of the vast amount of technology which directly affects citizens and what can be done to protect the right of individual privacy from wrongful use of such data. This point has been pursued vigorously, so far without success, by the civil liberties section of the Canadian Bar Association. For example, in September, 1970, in Halifax, it adopted section 1, on the right of a citizen to privacy, which provided that the individual should, by law, have some control over information passed on about him by credit agents and other bodies. That group also sought regulation of private detective agencies, credit bodies and other groups which keep files on individuals.

• (1610)

One of the strong points made by the civil liberties section was the right of a citizen to inspect any file compiled on him, to challenge incorrect information and require that it be corrected, and to sue any person who supplied false information. In that respect, our law is still deficient and we are still, each and every last one of us, at the mercy of sleuths who may not do an efficient job and may incorrectly report some circumstance about us, which is compiled somewhere and which may be to our detriment at some future date.

There is considerable sophistication in the communications world today. I was intrigued by seven or eight recent developments in this field. They were considered at a meeting organized by the Council of Europe in Brussels, Belgium, about a year or so ago. Some eight of them appealed to me as examples of the sophisticated devices that can and perhaps do operate in Canada and elsewhere. One of these was the harmonica bug which can be placed in your telephone and relay conversations over thousands of miles. The bug is activated by the simple process of the eavesdropper dialing the victim's phone number and blowing a predetermined note on the harmonica. This prevents the phone from ringing and enables that bug in that phone to pick up and transmit any conversations in the room. This is fascinating.

Then, there is the bumper beeper. We have all seen these used in the chases that take place in the plethora of detective programs on television, so I will not bother going into that. There is a third one, however, a development for tracking individuals by radar. It is said, however, that this may have some entertainment value but not likely to have much detecting value, since the doppler system, as it is called, can distinguish women from men by the swing of their buttocks. I simply mention this as a bit of a novelty, and I would not want to give away any of the secrets of the attractiveness of the female sex, as obviously the doppler system has a great deal to do with it. I invite members interested in that point to pursue it further in textbooks on physics.

There is another device which can turn ordinary windowpanes into snooping devices by using a laser beam to monitor vibrations on the glass from sound waves inside the room. There is another device so intricate that even in very large buildings such as this, it can determine, on which side of the building an individual is walking by the tilt of the building. You do not have to be in the leaning tower of Pisa to know the tilt of a building. There is another highly sensitive thermal detector which can discover where a person has been sitting in a room simply by measuring the infinitesimal degree of difference in heat. One could pursue this subject much further, but I have only two more points to make in this regard.

There is a machine now being tested on animals which sends signals to electrodes implanted in the brain which can have an effect on the animal's behaviour. This can

also be done to human beings. Finally, as we find out in this wonderland of electronic marvels and abilities to snoop and pry from one end of the universe to the other, there is a complete catalogue in which it is recorded that 10 reels containing 1,500 yards of tape punched by microscopic laser beam can store information on every man, woman and child, some two billion of them in the world. This is the world in which we live. Most of us are not aware of these ramifications, yet some people use these devices. In winding up on this point, I should simply refer hon. members to some of the evidence given to the Committee on Justice and Legal Affairs when it studied the subject-matter of this bill.

There is one aspect of Bill C-6 with which I disagree very strongly. It is to be found in the changes to the Official Secrets Act brought about by Bill C-6. One of the provisions permits the Solicitor General of Canada to issue a warrant authorizing the interception or seizure of any communication if he is satisfied by evidence on oath that the purpose of such interception or seizure is related to the prevention or detection of espionage, sabotage or any other subversive activity directed against Canada or detrimental to the security of Canada, and that such interception or seizure is necessary in the public interest. There is a further procedure outlined in respect of the use of the warrant which requires a report by the Commissioner of the Royal Canadian Mounted Police to the Solicitor General, but that is all the safeguard there is.

We are left with the rather tremendous and delicate problem of deciding what is in the national interest of Canada, and how far people dealing with the security of the state should be required to go to account for their actions. I suggest the section goes too far, and that it should be possible to include some safeguards. Perhaps I could buttress my case for saying that the section goes too far by quoting the Solicitor General (Mr. Goyer) when he spoke to the Canadian Association of Chiefs of Police on September 2, 1971, in Calgary, Alberta. He stated:

> The next point I want to make concerns the need for a much greater degree of open public discussion about police policy. Not only must you explain your role to the public, but the public must also let you know what it thinks the role of the police should be. I am not advocating that police operational activities be discussed in a public forum but, what I do believe where matters of policy are concerned, is that we must take a much more careful look at the expression: "It is not in the public interest to disclose this information", before we make use of it.

That philosophy is really opposed to the philosophy in the bill as it relates to the Official Secrets Act. We need much more than a simple report by the Commissioner of the RCMP to the Solicitor General regarding the responsibility for using communications interceptors, that is wiretaps, bugs and the like, to deal with possible injury to the state. I believe justification of the use of these electronic devices should not be left to the Royal Canadian Mounted Police and the Solicitor General's office. I believe there should be at least some responsible members of the public engaged in deciding if there has been any abuse of this method. The suggestion I make—and I am not firmly wedded to it but believe it is at least a point for discussion—is that the report of these activities should be made to a group of senior and responsible statesmen of this country who would be nominated by the Prime Minister, the Leader of the Opposition and the leaders of the other political parties. I think of persons say of the calibre of M. J. Coldwell or Mr. St. Laurent, although perhaps his age would prohibit him taking part in this exercise. I have in mind people of that calibre, who are trusted and who are great Canadians, who would examine how the Royal Canadian Mounted Police and the Solicitor General have used the methods of bugging and wiretaps in connection with the defence of the realm and the protection of the public security.

• (1620)

Such a group could make its report on whether or not it is considered proper use has been made of these devices. I do not think it is sufficient to have files compiled in some room to which only a few people have access or have reports made in places where only a few people may ever have the courage to stand up and say to the police that these powers should not be used. I think that if powers are given and not checked, the likely result is that there will be a greater use of these powers rather than a limited or judicious use of these powers. That is why I suggest the Minister of Justice, when this bill reaches the committee, make some provision for safeguards along the lines I have suggested. If that were done, I believe I could very cheerfully welcome the utmost despatch in dealing with this measure, most of which is good. Most of it reflects the hard work of parliamentary committees and individual members of parliament who have been interested in this topic over the years. Now, we need the finishing touch so that we are not giving carte blanche in respect of the official secrets portion of the bill. If we do this, we will have come up with a pretty good measure in this age of communications.

Mr. John Gilbert (Broadview): Mr. Speaker, the problems of wiretapping and electronic surveillance have been surfacing in Canada for the past 15 years, but more especially in the last five years when we have seen a variety of sophisticated instruments and methods used to invade the privacy of individuals. The hon. member for Halifax-East Hants (Mr. McCleave) indicated some of the most sophisticated methods which are being used. I would remind you, Mr. Speaker, of three simple illustrations which bring home the importance of this matter. When you learn that car dealers are bugging conversations between a customer and a salesman you have an indication of how important this matter has become. When you learn that the bugging of the conversations of an individual with a criminal record in Toronto lead to an inquiry against two Toronto magistrates, this again stresses the importance. When you learn that the Redpath Sugar Company of Toronto employed a firm which is noted for its union busting and that a member of the Toronto police force aided and abetted that firm in respect of bugging, this indicates we have reached a serious state.

In view of the fact there is now virtually no legislation limiting electronic surveillance, this legislation is an improvement over the present situation. Some legislation is better than none. Yet the bill presents serious problems which worry Canadians who believe in a free and open society based on democratic institutions and the rule of law. The law as it stood was totally inadequate. The federal act incorporating the Bell Telephone Company makes

it an offence for anyone to interfere with any of the company's property or the working of its lines or to intercept any message transmitted thereon. The Ontario Telephone Act makes it an offence to divulge the contents of a conversation heard by means of wiretapping, except when lawfully authorized or directed. We have had similar complaints concerning wiretapping in British Columbia and Saskatchewan. All these incidents have proven that the present provisions of the law are inadequate, that the enforcement is sporadic and half-hearted and that the penalties are insufficient. In fact, the police have been breaking the law which they were bound to uphold and enforce.

One wonders whether this legislation would make actions by the police which were de facto in the past de jure now. The new law is at least clear in three aspects. First, all electronic surveillance in the private sector will be completely illegal. Second, the possession, sale and purchase of electronic equipment by unauthorized persons which render it primarily useful for surreptitious interception of private communication is illegal. The third aspect concerns the liability of the Crown with regard to the legal interception by servants of the Crown. These are welcome features of the legislation. The enhancement of private profit cannot justify such intrusions on the personal privacy of individuals. The concerns about the bill are found in the areas of the authorization to the police to wiretap, the issuing of the authorization by judges, the question of the admissibility of the evidence obtained, the amendments to the Crown Liability Act for compensation regarding unlawful wiretaps, the amendments to the Official Secrets Act concerning alleged espionage, sabotage and subversive activities. These areas give me and many others in Canada serious concern.

The authorization to the police to wiretap, provided certain criteria have been satisfied for the judge issuing the permit, brings the entire problem of the personal privacy in a democratic country into sharp focus. This underlines the problems arising from the tyranny of technology. Personal privacy is central to man's dignity and liberty. To deny him this may be to undermine his very humanity and to erode his belief in democratic institutions and the judicial process. In the words of Mr. Justice Field of the United States:

> —Of all the rights of the citizen, few are of greater importance or more essential to his peace and happiness than the right of personal security and that involves, not merely protection of his person from assault but exemption of his private affairs—from the inspection and scrutiny of others. Without the enjoyment of this right, all others would lose their value.

That idea was repeated in a speech by Professor Edward Ryan at the Couchiching Conference of August 5, 1971. He set forth the view of the Standing Committee on Justice and Legal Affairs concerning this important problem. He said it was stated in the Justice Committee that:

> The right to privacy, far from being a mere individual claim, is itself a public interest of the highest order, in which may be found the wellsprings of individual creativity and group expression which are at the heart of popular government. They cannot be allowed to be imperilled. No more fundamental laws to our ideals is possible than that posed by the possession and potential abuse of overly wide governmental powers in this area.

• (1630)

From those statements arise such questions as: should the police be reduced to snooping on the members of our society, and have the police made out a case that police snooping is necessary and effective to combat crime? It has been said, first, that the police should be as well equipped as the criminals, and secondly, that crime is on the increase. The new bill deals with the problem of whether the police should be as well equipped as the criminal. Private surveillance is illegal, as is the possession, sale and purchase of unauthorized electronic equipment.

The second assertion that crime is on the increase does not necessarily jibe with the facts. The fact is that more crime is reported today than in the past, and therefore it does not follow that more crime is being committed. The assertion that police wiretapping and electronic surveillance is necessary to combat crime should be reviewed on the basis of facts. The self-conferred right to wiretap by the police has had no appreciable effect on crime detection. The evidence discloses that wiretapping is used by the police for the purpose of aiding in investigating and seldom if ever for the purpose of collecting evidence. The following was stated in the brief of the Canadian Civil Liberties Association which was presented to the standing committee:

> In a learned law review article, Brown and Peer made the following observation, generally supported by experts in the field:
>
> "Wiretapping is of very little use in connection with ordinary felonies and crimes of violence. There is lacking in this sporadic sort of crime the pattern of continuity necessary for effective wiretap operation by the police officers."

No less an authority than Ramsay Clark, U.S. president Johnson's last attorney, has voiced his misgivings as follows:

> In several cities where organized crime is most severe, police and prosecution have in the past used wiretap without inhibition. It has not been effective. Organized crime still flourishes in these communities. In other cities where there has never been organized crime, police have never used wiretap. The massive programs required to end organized crime have no place for wiretap. It is too slow, too costly, too ineffective ... Organized crime cannot exist where criminal justice agencies are not at least neutralized and probably corrupted to some degree ... The F.B.I. used electronic surveillance in the organized crime area from at least the late 1950's until July 1965 ... So far as is known not one conviction resulted from any of these bugs ... In 1967 and 1968, without the use of any electronic surveillance, F.B.I. convictions of organized crime and racketeering figures were several times higher than during any year before 1965. The bugs weren't necessary.

With regard to organized crime in Canada, we had a Royal Commission studying crime in Ontario in 1961. In their report they stated that organized crime was virtually non-existent. In 1969, the Canadian Association of Chiefs of Police stated that organized crime was in its infancy. Is it necessary to give these wide powers with regard to wiretapping and electronic surveillance? The bill provides that the permit shall be granted by a judge. The problem arises as to whether the authorization should be given by a judge or by the responsible minister; in other words, should it be granted by a judicial authority or a political authority. The problems with which we have been confronted in having the judicial authority grant the permits are that the application for the permit must be made ex parte, in other words by one person. The application is

heard in camera by the judge, and it is determined by a statutory declaration made by a police officer or by the officer designated to be in charge of these applications. The application will relate to indictable offences, which indicates the seriousness of the offence. The report will be confidential. In other words, any of the determinations made by the judge will not result in any reported cases.

Experience in the United States, and more especially in the state of New York, has indicated that many of the applicants for wiretapping permits have gone judge shopping; in other words, they have gone to judges who are easy to satisfy with regard to material that is presented to them. We find that these criteria are not in keeping with the concepts of Canadian justice. When we think of Canadian justice, we think of all parties being represented in court; we think of the adversary system; we think of examination and cross-examination, and we think of legal argument and judgment. All these factors are missing when a police officer makes an application to a judge on an ex parte basis. It may be that the permits that will be issued will become pro forma in the same way as the writs of assistance and warrants which have now become pro forma in their exercise. It has been pointed out that even injunctions, and more especially those relating to union matters, are obtained by way of an ex parte application. I would think that even the experience concerning injunctions would make us acutely aware of the dangers that may be present.

It has been said by the Minister of Justice (Mr. Lang) that there is some protection in the annual report which would be required to be furnished and tabled by the Solicitor General (Mr. Goyer) setting forth the number of applications and the types of offences as well as the permits that have been issued. But I think that we should keep in mind that we will have a problem not only with the requirement that the Solicitor General issue a report but also with regard to the attorneys general of the different provinces. My colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), asked the minister whether it was the duty of an attorney general to table such a report in the provincial legislature, or to make it available to the Solicitor General so that it may be tabled here in the House of Commons. The Minister of Justice said quite rightly that the provisions with regard to this matter were silent. It seems to me that we will have difficulties in assembling the evidence concerning the issuance of permits and in analysing and determining whether these permits should have been issued in the first place, how many were issued for particular offences, and so forth. I think it is right that we should have a political accounting by the Solicitor General, but I think it should be a political accounting on a better basis than the one required in the act. The authorization issued by the judge must be for an indictable offence. This is contrary to the recommendation which was made by the Committee on Justice and Legal Affairs which indicated that only extremely serious crimes should be covered by this act. The Committee set forth 18 to 19 serious crimes, most of which carried penalties of over ten years. The question then arises: Why has the Minister of Justice overridden the recommendation of the Justice Committee? It seems to me that we will have a wide, permissive system which may well be Orwellian in nature and concept.

[Mr. Gilbert.]

• (1640)

The bill also provides for a private communication, intercepted without authorization, to be not admissible as evidence but that information or things disclosed as a result of unauthorized interception may be admitted as evidence. In other words, the direct evidence is inadmissible, but the derived evidence may be admissible. We are departing from the usual rule, which states that all relevant evidence is admissible, regardless how it is obtained. It has been suggested that the rule should be that the evidence should be admitted only if it does not offend the fundamental concepts inherent in our ideas of ordered liberty under the law. We should consider whether it is reasonable evidence, whether it is just evidence and whether it is in accordance with the Bill of Rights before it is admitted as evidence in court. Surely, there could be a *voir dire* to determine this issue.

The most frightening parts of the bill deal with the amendments to the Official Secrets Act. All of the safeguards relating to police wiretapping disappear. The amendments set forth in the bill give the Solicitor General of Canada the right to issue a warrant authorizing interception of seizure of any communication if he is satisfied by evidence on oath that the purpose of such interception or seizure is related to the prevention or detection of espionage, sabotage or any other subversive activity directed against Canada or detrimental to the security of Canada, and that such interception or seizure is necessary in the public interest. It will be seen from this provision that all that is to happen is that the Solicitor General may issue a warrant to the police. There is no authorization required or safeguard, as there is concerning wiretapping and electronic surveillance by the police.

One of the other features is that the Commissioner of the Royal Canadian Mounted Police shall, from time to time, make a report to the Solicitor General of Canada with respect to each warrant issued pursuant to subsection (2) of the section setting forth particulars of the manner in which the warrant is used and the results, if any, obtained from such use. In other words, there are none of the safeguards regarding authorization, and the report is made only to the Solicitor General.

From this we can only draw the conclusion that the RCMP have the right to do anything that we cannot prevent them from doing. There has been lumped together home grown political radicalism with espionage, with no political visibility or public accounting. Is it any wonder that many of us have well-grounded fears with regard to the provisions amending the Official Secrets Act? When we think of the activities of the RCMP on university campuses when investigating young students who may have radical ideas, when we think of the actions of some of the members of the police in the FLQ crisis in Quebec, we wonder what is going to happen and how these provisions will be used or abused when the police deal with political suspects or any applicant who may apply for Canadian citizenship.

We find these amendments to the Official Secrets Act reprehensible, repugnant and almost worthy of a police state. Surely, questions of espionage and sabotage can be kept distinct from home grown political radicalism instead of being lumped together. Surely, the police

should not be given the right to use wiretapping methods and electronic surveillance of people whose only activity may be that of political radicalism.

For these reasons, having read clause 1 of the bill which declares that the bill is to be named the Protection of Privacy Act, it can only be described as a euphemism rather than a bill, one that tends to meet some of the problems we have been facing in this age of technological advance. This makes one realize how necessary it is to study the bill in depth and to bring to the attention of the Minister of Justice and the members of the Justice Committee the necessity for legislation that protects the rights and privacy of the individual, but does not permit the erosion of these rights by the intrusion of the state. I hope that when the bill gets to committee we will study these matters in depth and produce a bill that is worthy of acceptance and enforcement.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the fact that we have before us today a bill moved by the Minister of Justice (Mr. Lang) is proof that the system of parliamentary government that we have works and that the backbench member of parliament, both on the government and on the opposition side, can play an extremely useful role. When I came to the House ten years ago and joined with members of other parties in asking questions about wiretapping, my questions were met with indifference, or silence, disbelief, indeed with denials that such a form of surveillance in fact existed.

I am not going to take the time today to put on the record the questions that I have asked almost each year since I came here about the activities, particularly of the RCMP, in this field. However, I am sure that in years to come students of the question will do so; they will look through *Hansard* at the questions asked and statements made on wiretapping over the course of many years. They will discover that until very recently ministers of justice and solicitors general have either denied that such activities took place or replied to questions posed about specific cases, in connection with which there was a good deal of evidence, with the stock answer that one often gets from the government, namely that it is not in the public interest to reveal the information requested.

• (1650)

Since that time ten years ago, and particularly in the last five or six years, there have been repeated documented cases of wiretapping. I am not now talking about wiretapping by private individuals or by private investigators, about which the hon. member for Broadview (Mr. Gilbert) has spoken and which under the provisions of this act will be made an offence. The fact is that if wiretapping is carried on by the police, as has been done on an extensive scale and if there are no new laws prohibiting it, no regulations stating under what conditions it may be used if required and no penalties for misuse, then obviously, Mr. Speaker, not just the police will be involved in wiretapping but private individuals will be involved.

There is no doubt that we have a good deal of industrial espionage in Canada, though possibly on a smaller scale than it is known in the United States. This is carried on by companies which want to know what their competitors are doing, companies which want to get the jump on their competitors. Wiretapping is one of the most efficient methods of industrial espionage. There is ample evidence that private investigators, many of whom have police experience, have been involved in wiretapping but there are no laws prohibiting it. My colleague, the hon. member for Broadview spoke of an incident in Toronto several years ago when two magistrates got into very serious trouble and, if my memory serves me correctly, were removed from office. I make no comment on whether they were involved in activities which could have led to their removal from office, but the fact is that there was a hearing as a result of evidence obtained through wiretapping. That wiretapping was initiated, not because of any question about the magistrates involved but as a result of police action, if I remember correctly, against people involved in an illegal betting operation. In the process, two magistrates who should have been above suspicion were dragged into the case.

Some years ago in British Columbia there was a case where the evidence led to the establishment of a Royal Commission. A room occupied by some union representatives had been rigged so that their conversations could be recorded by people interested in what they were discussing. Recently in Toronto a police officer was dismissed because he was found to have been co-operating with a company which specializes in union busting, by rigging the offices of the oil workers union and of a steel union. These are the kind of activities that take place.

Some years ago in the city of Saskatoon an alderman charged that the only telephone available to people held in the city jail had been so worked upon by the police that they could listen to any conversation. I am not a lawyer, Mr. Speaker, but just imagine the position in which those people found themselves. As I understand it, under our law a person is presumed innocent until proven guilty in a court of law. Surely, Mr. Speaker, if there is one type of conversation that ought to be completely private it is conversation between a person accused of a crime, not yet convicted, not yet tried, and his lawyer. Yet the Saskatoon police had so arranged matters that they could listen to the telephone conversations of anybody in the jail.

The fact is, Mr. Speaker, that wiretapping is a very common occurrence in this country. I cannot vouch from personal knowledge, but I have been told by someone very close to the investigations carried on by various government agencies, including the RCMP, into the Seafarers' International Union and Hal Banks that everybody involved or everybody who worked in any position of responsibility in that union had his telephone conversations monitored by the RCMP through wiretapping. In these circumstances, Mr. Speaker, with the former lack of knowledge, the former insistence on the part of ministers of justice, solicitors general and provincial attorneys general that wiretapping was not a common occurrence in Canada, if it occurred at all, it is not surprising that it became apparent to the people of Canada that regulations and legislation were necessary. I welcome the agreement of this government to bring forward legislation which, if it will not prohibit wiretapping, will at least regulate it.

The question which I intend to pursue later this evening is whether, in fact, this law meets the requirements of the problem.

The Canadian Economy

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle)—External Affairs—Intention of United States respecting renewal of lease of air force base, Goose Bay; the hon. member for Simcoe North (Mr. Rynard)—Health—Request for statement on proposals to combat escalating care costs; the hon. member for Assiniboia (Mr. Knight)—Grain—Action on complaint about grain doors at western delivery points.

• (1700)

[*Translation*]

In accordance with the special order made on May 1, the House will now revert to motions.

[*English*]

The House will now revert to motions. The hon. Minister of National Revenue (Mr. Gray).

ROUTINE PROCEEDINGS

THE CANADIAN ECONOMY

STATEMENT ON FOREIGN INVESTMENT POLICY

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I should like at this time to announce to the House the government's decision to review foreign takeovers of Canadian business. I wish also to table a background document on the general subject of foreign investment. In order to make it immediately clear as to the legislative steps the government wishes to take, I shall also be tabling a draft bill which will read exactly the same as the legislation to be introduced formally later this week.

While Canada has generally welcomed foreign investment over the years, we have adopted a number of measures to foster and protect the national interest. Foreign investment in banks and other key financial institutions has been limited by law. Our broadcasting facilities, newspapers and magazines are subject to specific laws which effectively keep them under Canadian control. During the past decade we established voluntary guidelines for good corporate behaviour by foreign businesses operating in this country. This government has also set up the Canada Development Corporation to help develop and maintain strong Canadian controlled businesses. The tax reform of last year contained several measures deliberately designed to encourage Canadians to invest in their own country rather than abroad, and to encourage the growth of Canadian controlled business. And the government has announced its intentions concerning the production and trade of uranium.

[Mr. Orlikow.]

Parliament will now be asked to add an important new measure to these policies. Foreign companies seeking to buy out or take over an existing Canadian business above a certain size will be required to demonstrate that the purchase will result in significant benefit to Canada. The government is introducing legislation to establish a review process under the authority of the Minister of Industry, Trade and Commerce (Mr. Pepin). In general terms the purpose will be to examine proposals for takeovers of Canadian businesses, to approve those that, on balance, will be of significant benefit to Canada, to negotiate with the proposed acquirer in those cases where he can reasonably be expected to make a greater contribution to Canadian development, and to refuse to allow those takeovers that would not bring significant benefit to Canada.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gray: Mr. Speaker, foreign investment plays an important role in Canadian development, but it brings with it costs as well as benefits. While there are a variety of opinions among Canadians about the balance of benefits and costs of foreign direct investment, there is certainly no disagreement that foreign investment should work in the interests of this country.

[*English*]

Takeovers are the form of foreign investment least likely to add significant benefits to the Canadian economy. The extent of foreign control of a number of industries in Canada is large enough to make the acquisition of more Canadian businesses a matter of concern to the government and to Canadians generally. If takeovers created only problems it would be a simple matter to deal with them—they could all be blocked. But takeovers can be of benefit to Canada, and it was this fact that persuaded the government that as a general policy a review process is preferable to other approaches such as the designation of additional key sectors or mandatory Canadian shareholdings. This decision, of course, does not rule out entirely the possibility that other approaches might be required at some time in the future.

[*Translation*]

A takeover review process is more flexible in its ability to take into account both the benefits and costs of a foreign acquisition. Through its operation, it would permit the negotiating of greater benefits for Canada and increase the level of economic activity in Canada. Most other industrialized countries, even with lower levels of foreign ownership and control, have some kind of mechanism to ensure that foreign takeovers are in their national interest. Our review process will be familiar to the international business and investing community.

[*English*]

In order to clarify the government's intentions, Mr. Speaker, I shall now briefly describe the review process and how it will be administered. A foreign investor—and that includes any enterprise which is foreign controlled—will be required to file notice of any proposed takeover of a businesss with assets valued at more than $250,000 or with gross revenues exceeding $3 million. Investors will be required to provide relevant information with the

notice. The investor may also take the initiative to make specific commitments to the government concerning undertakings which would bring benefits to Canada.

The government will then consider the proposed acquisition, taking into consideration these five factors: the effect of the acquisition on the level and nature of economic activity and employment in Canada; the degree and significance of participation by Canadians; the effect of the acquisition on productivity, industrial efficiency, technological development, product innovation and product variety in Canada; the effect of the acquisition on competition within any industry or industries in Canada; and the compatibility of the acquisition with Canadian industrial and economic policies.

The assessment of the proposed transaction will be made by the Minister of Industry, Trade and Commerce, who will make the appropriate recommendation to the Cabinet.

If the takeover is clearly of benefit to Canada, the government could then formally allow the acquisition. If, on the other hand, the minister is unable to recommend this course, he would take steps to negotiate with the investor with a view to increasing the benefits to Canada. This negotiation might then result in additional undertakings which would permit the government to allow the acquisition. But if the government still considered that the takeover would bring no significant benefit to Canada, it would not be allowed. This decision would be taken only after a thorough examination, including the opportunity to make full representations. The process is designed to ensure that the government will make its decisions with a minimum of delay.

Written undertakings by the purchaser will be binding and the government will be authorized to take action in the courts to ensure that they are observed. There will be appropriate penalties for failing to file notice of a proposed transaction.

The legislation will not, of course, apply to takeovers by Canadians—that is, acquisition of control of firms in Canada by Canadian citizens ordinarily resident in Canada, by landed immigrants who have lived here for six years or less, or by firms which they control. Some companies have a very large number of shareholders, some Canadian, some foreign. Such companies would be able to apply for an advance ruling in order to determine their status as a Canadian-controlled company or otherwise.

With regard to control, it is proposed that the acquisition of less than 5 per cent of the voting shares of a corporation whose shares are publicly traded will not by itself be considered to constitute control, nor will the acquisition of less than 20 per cent of the voting shares of a corporation whose shares are not traded publicly. There will be a presumption that ownership of voting shares above those levels will constitute control, but this presumption can be rebutted. Acquisition of more than 50 per cent of voting shares will automatically be considered acquisition of control, as will a takeover through the purchase of substantially all the property used in carrying on a business.

The Canadian Economy

• (1710)

[*Translation*]

Mr. Speaker, we shall encourage international organizations to pursue the study of the multinational enterprise and foreign direct investment with a view to cooperative international action. To this end we shall be examining whether specific Canadian initiatives might be appropriate.

[*English*]

Our objective as Canadians—which is to exercise greater control over our domestic environment—cannot be achieved by exclusive reliance on a takeover review process. As part of its response to this issue, the government will continue to develop positive policies to encourage Canadians to participate more fully in the development of their country, and to encourage the growth of Canadian sources of capital, technology and management. Our policy is designed to ensure that this country continues to develop as rapidly as possible in a way which is consistent with Canadian needs and aspirations and which safeguards our vital interest.

• (1710)

In accordance with Standing Order 41(2), I should like to table the document and the draft bill to which I referred in my statement.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, this is not a fantastic breakthrough.

Some hon. Members: Hear, hear!

Mr. Stanfield: Is this what the government took so many months to produce? Is this what the Prime Minister (Mr. Trudeau) said the cabinet spent days and days considering? Is this the reason the government has kept the whole country in a state of confusion for three years?

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, my friends opposite should not get too worked up yet. Is this the reason the government kept everyone in a state of confusion, to produce this? This persuades me to paraphrase the Prime Minister and say with friends like this government, who has time to worry about Mr. Connally?

Some hon. Members: Hear, hear!

Mr. Trudeau: Now for the alternative.

Mr. Stanfield: There is no question about the importance of increasing Canadian participation in the Canadian economy. I do not reject, in principle, the idea of monitoring the takeovers of Canadian firms. I will make it very clear that my main concern about this proposal is that it does not do anything to increase Canadian participation or Canadian ownership.

Some hon. Members: Hear, hear!

Mr. Stanfield: I do not object to a monitoring process, provided it is guided by clear and satisfactory guidelines.

Despite all the time that has been taken by this government to produce this document, there is no provision for provincial consultation, either in connection with decisions or in connection with guidelines.

Some hon. Members: Hear, hear!

Mr. Stanfield: Surely, we all realize that if there is going to be any effective approach in this country toward increasing Canadian participation and toward Canadian ownership, it has to be a joint federal-provincial effort.

Some hon. Members: Hear, hear!

Mr. Stanfield: This policy ignores any provincial involvement. Therefore, it is not only a slow start, but it is a bad start. It is going to lead to bad feeling.

Some hon. Members: Oh, oh!

Mr. Stanfield: I notice a lot of smirks from members opposite. I say again that a policy designed to monitor or regulate investment in this country must, at the very minimum, increase the sense of national unity rather than divide or weaken it. Surely, that is the basic consideration.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is surely clear that the restriction of foreign takeovers in itself in no way ensures even the survival, let alone the expansion, of Canadian companies faced with sharp competition from industries in other countries, as well as from subsidiaries of foreign corporations here at home. It cannot be emphasized too much that this policy does not ensure the continuation, let alone the expansion, of Canadian companies in the teeth of competition that they face. Furthermore, no effort has been made to increase the Canadian presence in existing subsidiaries in Canada. For example, there is no suggestion that a certain proportion of the directors of all companies in Canada ought to be Canadian citizens.

Some hon. Members: Hear, hear!

Mr. Stanfield: There is no provision for full disclosure by subsidiaries of foreign corporations. There is no suggestion that there may be certain key sectors of the economy, even with the entry of new capital into areas of the economy, where regulation should be considered. Above all, if we are going to increase Canadian participation in the Canadian economy, we need positive measures, measures designed to enable Canadians to participate in the development of Canadian industry and measures to enable Canadian industries to thrive. After all, that is the only effective method of making sure that we control our own economy to meet our own aspirations and create the jobs that we need in this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: We must have policies aimed at ensuring that Canadian industries, big and small, have access to capital for expansion and markets for the sale of their products and their services.

Some hon. Members: Hear, hear!

Mr. Stanfield: When the Secretary of State for External Affairs (Mr. Sharp) is asked what we are going to do about this, he says we are going to institutionalize our arrangements with the common market. When he is asked what that means, he says he will do the same as we do in our relations with the United States. All the problems of Canadian industries operating in the climate that exists in the world were dealt with by the minister today in one paragraph of his statement.

In terms of the real needs of Canada, this is a weak document. We need policies that will encourage Canadians to invest in their own country. We need policies that will encourage the kind of capital growth in Canada that will, in turn, ensure jobs for Canadians.

Some hon. Members: Hear, hear!

Mr. Stanfield: I cannot overemphasize that the kind of policy the minister presented today does not in any way promote increased participation by Canadians in the Canadian economy. It does not promote this in any way. I look forward to the budget. I hope it is a more meaningful document than this.

Some hon. Members: Hear, hear!

Mr. Stanfield: In a country with a massively growing labour force and intolerably high unemployment, the minister's statement is not enough. In a country where domestic projections are running far behind what is required to eat into unemployment, this is not enough. In a country with so much of its entrepreneurial talent left to linger in frustration because it cannot be connected with a pool of domestic venture capital, this kind of statement is not enough. We want more Canadian participation in, and ownership of, the Canadian economy. Today's statement is tragically short of what is required. The minister's statement would not even make a good leak.

Some hon. Members: Hear, hear!

Mr. Stanfield: All the government has done has been to institutionalize what it has already been doing Where is the spirit of imagination and initiative in what the government has presented? Where is the sense of orientation to the need for jobs and careers? Where do we see the government spelling out a means of developing investment in our own economy by Canadians? Have we become so stale, stultified and safety conscious in the circles of tenuously held power as to be virtually impotent to do something ourselves about our own destiny? Surely, there is a positive side to the investment and ownership picture. Surely, there are principles which must guide our approach in regulating foreign investment—there are practices which must be explored, and the best of them pursued to promote domestic investment and ownership.

• (1720)

An hon. Member: We are waiting.

Mr. Stanfield: The hon. member says he is waiting. Mr. Speaker, the Canadian people have been waiting for months and years to get this document, and look what it is.

Some hon. Members: Hear, hear!

Mr. Stanfield: Surely, there are many moves which could be made. In concert with the provinces, the federal government could assist schools of business and business organizations to develop and maintain a resource of entrepreneural and management talent. Financial assistance could be offered to new firms in key sectors of the economy to help them import technology and management contracts. Revisions in the Bank Act could be considered in order to encourage the development of a merchant banking system which could provide venture capital.

Some hon. Members: Hear, hear!

Mr. Stanfield: Incentives could be offered to encourage greater employee participation in the ownership of companies.

Some hon. Members: Hear, hear!

Mr. Stanfield: There is a whole range of ideas waiting to be tested. But, first of all, we must be in the right frame of mind to think about them. And we must get ourselves into the right frame of reference in order to do something about them. I believe the right frame of mind is not the kind of introspective philosophizing which has characterized the mood of the present government. The right frame of reference is not the kind of ad hoc experimentation and harrassment in which this government has indulged. I do believe there is in this country a real hunger for planned action. I believe Canadians wish to compete and participate more than they want to restrict. This government is not giving them the opportunity. It is not giving them the opportunity today. Fortunately, there is a real prospect of Canadians having, in the not very distant future, a government which will give them that opportunity.

Some hon. Members: Hear, hear!

Mr. David Lewis (York South): Mr. Speaker, no wonder the government was reluctant to present this policy. It knew that its policy added up to one big zero as far as control of the Canadian economy is concerned. We have been told by the Prime Minister (Mr. Trudeau) and we were told by the minister who spoke this afternoon, that what the government intended to present was a policy on foreign investment. This is nothing of the sort. It is a hoax. It is a tragedy for Canada. It does not deal with foreign investment. It does not deal with foreign control. It deals with nothing which is of consequence in relation to regaining control over Canada's economy.

Some hon. Members: Hear, hear!

Mr. Lewis: Right across this country there are thousands of Canadians growing increasingly concerned about the domination of our economy from abroad, particularly from the United States, and thousands of Canadians across this country have been awaiting a statement from the government which would hold out some hope that we might regain control over our economy and bring it back into the hands of Canada and Canadians. What has been presented today ought to make even this government ashamed of its lack of imagination and its lack of courage. I cannot but conclude that members of the government were not ready to do anything decisive about the 95 corporations which provide them with the financing so necessary to them at election time.

Some hon Members: Shame!

Mr. Lewis: The fact is that the document which has been tabled by the minister and which is a carefully edited version of the one published in the Canadian *Forum*, as far as I have been able to ascertain in the brief time available to me, points out that the areas to be covered, if anything effective is to be done, must not only include surveillance of takeovers of Canadian firms. It must also include what is called in the report—and I do not know why plain English could not have been used—"new enterprises established from an external base". As to the definition, I suspect it means what is stated in the brackets—foreign companies making direct investment in Canada for the first time. Or, I would add, foreign companies making direct investment in Canada for the second, the third, or the fourth or the fifth time. Or new licencing and franchising arrangements, or major new investments by existing foreign controlled companies. Or existing foreign controlled companies, even if they are not planning major new investments.

All these areas must at least be touched on in any policy to deal with foreign investment. To deal only with foreign take-overs is a betrayal of what we had all waited for and expected. In the Canadian *Forum* edition of the Gray report I have not been able to find this passage in the report tabled during the brief examination I have had time to make. What the Minister of National Revenue (Mr. Gray) is reported to have said in the original edition I have not found. I hope it is here, but I have not found it.

There are at least three reasons for screening the expansion of existing foreign controlled firms. First, they constitute a large and growing segment of the Canadian manufacturing and resource industries. A foreign ownership policy which ignores this fact could be ineffective as a means of increasing domestic control of the national economic environment. Second, existing foreign controlled corporations could be used to circumvent the screening agency. If a would-be foreign entrant wants to avoid screening he might be able to make an arrangement with a foreign firm presently in Canada, either one that it owns or one belonging to another foreigner, to undertake the new project, perhaps in an entirely unrelated industry.

• (1730)

Lastly, the bargaining strength of the agency might be reduced if applicants can point to existing competitors who are not subject to the various constraints on behaviour by virtue of having entered prior to the policy coming into force.

On another page that report said in a single sentence what I have been trying to emphasize, that the failure to screen expansion into new industries could lead to easy circumvention of the screening process. The fact is that the policy announced by the minister has nothing to do with the expansion of existing firms into new areas and new industries. It has nothing to do with direct foreign investment coming into Canada and it does nothing to increase Canadian ownership in any of the areas with which we are concerned.

Furthermore, it is not a screening agency such as was suggested in the task force report of 1968 which proposed a monitoring or screening agency that would be responsible to a new ministry. We do not have that. The Minister

of Industry, Trade and Commerce (Mr. Pepin) is going to be in charge of the screening agency. Just how reliable is his relationship with corporations in this country, and just how reliable he is in respect of screening them, we have been given evidence of in the last few days. For months he told us that United States-owned corporations in the automobile and automotive parts industry in this country had given him the impression that they did not intend to use DISC; then he suddenly found that in fact they had been using it all the time they had been talking to him.

I am not talking about the minister himself, but I have a suspicion that his department has always been in league with big business corporations in this country and is the last department in the world that can be trusted to deal with the kind of issue with which we are confronted in this policy. The proposal was for a separate screening agency. The minister grins at me. Let me remind this man who is now to be the great defender of Canada's economic independence—

Some hon. Members: Hear, hear!

Mr. Lewis: Bang your desks as you usually do when there is no reason for it. Let me read a short extract from a speech this minister made in Houston, Texas, on September 29, 1971. He said that our economy is capital-intensive and our economic needs of the 1970s suggest there will be heavy demand for investment funds. He said they would be considering this situation in their session that afternoon and then mentioned a few reasons why they should look very carefully to Canada as a country for investment. He then set out the fact that our tax system is not as bad as in other places, that we have a suitable economic and political climate, and so on. I cannot take the time to read it all, but this is perhaps the reason there is nothing in this policy to control or limit direct foreign investment.

The Liberal party remains the continentalist party it has always been, and will continue in the future to sell-out Canada economically to United States corporations as it has in the past. The kind of charade that is being played this afternoon is not going to fool any Canadian who is concerned about the future independence not only economically but politically of this country.

This government has assisted foreign-controlled firms to expand their operations in Canada. Most of the incentive grants given by the Department of Regional Economic Expansion have gone to foreign-controlled corporations. In the minister's carefully edited report I find the statement that this policy is to continue and foreign-controlled corporations are to continue to receive grants. So on the one hand we are going to limit foreign takeovers, and on the other hand we are going to hand out hundreds of millions of dollars to existing subsidiaries of United States corporations in order that they can expand their operations in Canada and their control over the Canadian economy with the taxpayers' money.

Some hon. Members: Shame!

Mr. Lewis: If this does not expose the absolutely unending hypocrisy of this government, I do not know what does. One could take much longer on this subject than you will permit me, Mr. Speaker, but I merely want to say that as one Canadian I am disappointed in this policy. I think it is a tragic "no policy" in an area which needs treatment seriously. There is in Canada a great deal of available capital for investment by Canadians. This policy ought to have dealt with all the areas I have indicated and the report ought to have indicated positive proposals for increasing control of the Canadian economy by Canadians. That cannot be done unless we have the imagination and the courage to take over a large part of the economy which is now owned by foreign corporations and make sure, especially in the resource industries, that we are not, down the line, handed over further to United States corporations so that neither economic nor political independence will be possible for future generations of Canadians.

Some hon. Members: Hear, hear!

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to thank the minister for sending me a copy of his statement a few hours ago in order that we might have a good opportunity to study it.

[*Translation*]

Mr. Speaker, following publication of the report which was tabled in the House today, I can make at least one assertion—that the federal Liberal party fund is in a much better position than it was this morning. In fact, this statement is intended to pacify foreign investors who had been a bit touchy and nervous ever since the appearance of the smoke screen which the government has been raising in Canada for the past few years concerning foreign control of our investment. Today, following this statement, those gentlemen will certainly be able to sleep peacefully without being disturbed, for the government has just reassured them by publishing a meaningless report designed only to serve electoral purposes.

It is designed, first, to fill the election fund, and secondly, to raise a smoke screen in order to make the Canadian voters believe that foreign control is going to be checked, that it is going to be investigated and subjugated forever.

Mr. Speaker, the election fund is filling up and propaganda is going full blast for the next election, as the government has succeeded in raising a smoke screen around the so-called foreign investment control policy.

• (1740)

But the Minister of Regional Economic Expansion (Mr. Marchand) has lately agreed once again to grant $750,000 to a Swedish firm in New Brunswick to compete with a Canadian furniture manufacturing company.

Mr. Speaker, we have nothing against foreign investors. We should not blame those people whose arm we have twisted and whom we have asked to come and invest in our country. We are blaming, however, our past and present governments which have made of Canada an economic colony.

As regards the study which the government has tabled today, we have been expecting it for a long time. It was shrouded in mystery; we were led to believe that the government was going to produce a mighty eagle which would keep in check foreign control of our economy, but

it has been established today in the House that the government's labours have only produced a still-born sparrow.

As stated by the previous speakers, the minister's statement demonstrates that the government is afraid of tackling the problem of foreign financial control, that it has no solution to put forward or that it is afraid of doing so because that solution is quite disappointing.

Before today, the government was satisfied to study in cabinet the problem of foreign control. Accordingly to this statement, we will be able to discuss foreign control in this House, because we are only allowed to study the problem. The statement was divided into four parts.

The objective is to set up a takeover review process and also to establish an agency within which a secretary appointed by the governor in council will play a major role. We are not even told whether this secretary, who will be appointed and whose role will be most important, will be a Canadian.

The statement also provides so called guarantees to those who buy Canadian companies or to investors, who will be heard. Indeed, it provides guarantees to investors and to those who will be planning to buy Canadian companies in so far as they will have the opportunity of being heard by the minister or by the secretary.

Investors will also be compelled to keep the minister informed of their transaction projects. That is all we shall be able to do; this will be another kind of board without any power, another bill without any teeth in it, another legislation which will not mean anything but which will enable liberal candidates to indulge in another snare and delusion, to make a lot of fuss about it and which will also give the liberal party the funds it could not get before because today a foreign investor can sleep like a log.

Mr. Speaker, no solution has been presented that could put Canadians in a position to regain control over the economy. Foreigners have taken over our economy as a result of credits that were granted to Canada by foreign banks.

Nowhere in the proposed bill is there a reference to the part that the Bank of Canada could play to enable the Canadian economy to develop on its own, thanks to Canadian instead of foreign credits.

Mr. Speaker, I do not blame foreign investors but only our governments of the past which had no financial policy and which would beg foreign and international bankers on their knees for money to invest in our country for the purpose of developing Canada.

Mr. Speaker, the members of the Social Credit Party will certainly have the opportunity of examining this matter again in the House, and their policy respecting control over foreign ownership is very well known both by the government and the people of Canada.

There is wealth in Canada, there is a potential, there are engineers and technicians; but there are also the Bank of Canada and the federal government which will not allow the Canadian credit to serve the Canadian economy.

[*English*]

Mr. Speaker: It being after five o'clock, the House will now proceed to the consideration of private members' business—

An hon. Member: Six o'clock.

Mr. Speaker: Is there unanimous consent that we dispense with private members' business and call it six o'clock?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed.

At 5.50 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

PROTECTION OF PRIVACY BILL

AMENDMENTS TO CRIMINAL CODE, CROWN LIABILITY ACT AND OFFICIAL SECRETS ACT

The House resumed consideration of the motion of Mr. Lang that Bill C-6, to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the few minutes available to me before five o'clock when we debated this bill I tried to make several points. First of all, I said that in recent years there has been a good deal more wiretapping and electronic surveillance by the police than previously, and second, that until very recently government spokesmen were, to say the least, loth to admit that such activities took place. I suppose they and the police thought that if they did not admit that such activities took place, the public would not know they were taking place.

I said just before five o'clock that I would not put on the record proof of what I had been saying. However, let me put on the record of *Hansard* the reply to a question which I put to the government in 1963. Hon. members can find the question and the answer on page 3903 of *Hansard* for October 23, 1963. The question was as follows:

> Has any department of the government (including the RCMP) equipment which is used for the tapping of telephone wires and, if so (a) what departments (b) for what purpose, and under what authority is this equipment used?

The answer given by the then secretary of state, Hon. J. W. Pickersgill, was as follows:

> The policy of this government, and of previous governments, has been to decline to answer questions of this order as being contrary to the public interest, and there is no intention of changing this policy.

• (2010)

This policy is illustrated by the answer made to a similar question on February 26, 1962. See debates of the House of Commons, 1962 session, volume II at page 1245.

I suppose the point of that last paragraph is that the then secretary of state wanted to prove, as he could quite well do, that his view was precisely the same as that held by the former Conservative government as illustrated by the answer given in February, 1962, when a Conservative government was in office.

The principles in this bill, as well as the bill itself, have been given a good deal of study by some very knowledgeable people who by no stretch of the imagination could be classified as politically partisan. Professor Edward Ryan of the University of Western Ontario delivered a speech, in which he analysed the basic principles of this bill, at the Couchiching conference on August 5, 1971. He commended the principles of the bill and pointed out that for the first time we would be passing legislation that would make wiretapping and electronic eavesdropping a criminal offence.

Professor Ryan went on to analyse the provisions of the bill. Having read his analysis, I who am partisan can only say that like so much of the legislation that has been brought forward by this Liberal government the bill purports to prohibit the use of electronic eavesdropping and wiretapping devices, while at the same time giving permission to the police to continue to do precisely what they have been able to do in the absence of legislation.

I should like to summarize what Professor Ryan said, to illustrate what I mean. Professor Ryan pointed out that the justice committee of this House, which discussed the question and heard evidence over a considerable period of time, recommended in its report that police interception of communications be authorized only for extremely serious crimes which were to be individually named in the legislation. Eighteen of the 19 crimes suggested by the committee carried penalties in excess of ten years. The general rule was that these methods of electronic surveillance should be capable of employment for the investigation, prevention and detection of criminal acts that threaten serious bodily harm or death to the individual, or serious loss or damage to property, involve the corruption of public officials, narcotics trafficking, espionage or sabotage on behalf of a foreign power, or acts which create grave threats to the national security arising from sources within Canada. Control of syndicated crime was also seen as a legitimate ground for authorized interception of communications.

What is provided in this bill? The government proposes to permit the police to intercept communications electronically in cases where they have reasonable grounds to believe an indictable offence has been committed or any such offence is alleged or suspected. No objective grounds are set out. All that the police have to do is to say; "We think an offence will be committed". The Canadian Civil Liberties Association, in a letter which was sent to the former minister of justice, pointed out as follows:

> But indictable offences include a very wide range of illegal acts—from serious violence to petty theft. The offences which can be prosecuted by indictment include such diverse matters as income tax evasion, possession of marijuana, theft over or under $50, impaired driving, etc.

From those few illustrations members of the House are able to see that the police can, if they so desire, get permission to eavesdrop electronically on virtually anyone since the offences referred to can be of a relatively trivial nature. I submit that the right of privacy is an inherent right or every citizen of Canada and that the reasons for interference by the police with that right, if we are serious in our statements that people do have the right of privacy, must be serious. Yet in this bill the government is proposing that for any indictable offence the police shall be given the right to ask for permission to carry on wiretapping. Professor Ryan takes the view that the government is asking for overly wide powers in regard to interception of communications. As I have pointed out, a criminal offence can be relatively minor in character; it can be theft of less than $50. I suggest that this bill should return to the principles enunciated, after very careful consideration, by the justice committee.

There is a second matter that I think is very serious. The bill will permit the police to obtain permission to carry on wiretapping activities on making application to a judge. The justice committee when it dealt with this question spent a good deal of time discussing whether the authority to be given to the police to conduct this sort of activity should be given by a judge, by the Minister of Justice or by provincial attorneys general. The committee, by a narrow majority, I understand, chose to recommend that the person giving this kind of authority to the police should be a judge.

Professor Ryan takes the view, with which I completely agree, that this is a mistake. It is said by those who favour giving judges the authority—and the minister has enshrined this argument within the bill—that a judge is impartial, that a judge is not subject to pressure. I might add, neither is a judge accountable to the public. I think that when we are drafting legislation that legalizes a serious invasion of the privacy of ordinary citizens we ought to demand accountability.

• (2020)

Mr. Speaker, a minister of justice or a provincial attorney general can make a mistake, but they can be called to public account by the provincial legislature, by parliament or even by the media. But who will call a judge to account? When we think of judges, courts and trials we usually think of an open hearing where all the evidence is presented by the prosecutor, the accused has the opportunity of being there to hear the evidence and the opportunity to cross-examine and to present a defence to the accusation. Something else altogether is proposed here. This proposal is akin to an ex parte injunction which is held in great contempt by trade unions and working people.

In a labour dispute someone representing a company appears before a judge and maintains that the company is being harmed by the union or its members through picketing. Usually the workers are not even there. The judge, without hearing the other side of the argument grants an ex parte injunction prohibiting the use of pickets. The same situation could arise here. Someone representing the police could appear before a judge and apply for permission to conduct electronic surveillance. The hearing would probably be held in camera with no one there to assess the importance or truth of the allegation and whether the request was valid or not, and the judge could issue the injunction. Surely that is completely contrary to the con-

cept of open hearings with the right of the defence to present a case. Surely we ought not to approve it.

There is another matter that Professor Ryan dealt with in some detail, Mr. Speaker. In New York state there has been experience which shows what happens when this kind of system is followed. The police very quickly learn that some judges are more sympathetic to their cause, and give them permission, than others; so they do what Professor Ryan calls "judge shopping": they look for the judge who is likely to give them permission to do the things they want to do. Who will question the decision once a judge has given permission to carry on this very questionable, although sometimes necessary action?

I say very seriously, Mr. Speaker, that the right to give the police permission to conduct wiretapping should be vested in the Minister of Justice federally, and with the attorneys general provincially. They should be required by law to make regular reports on the number of applications for wiretapping and the number they have approved, without, possibly, giving the names of the people involved and the reason permission was given. Without such a safeguard, Mr. Speaker, I suggest that to a large extent this bill will be completely ineffective because its loopholes are so wide that a truck could be driven through them.

As I said earlier, under this law the police will be permitted to do as much wiretapping as they have up to now without any legislation. That being the case, I think this provision in the bill ought to be amended. When the committee meets, I hope it will permit representations to be made by interested and knowledgeable associations and individuals. I hope, too, that the committee will see its way clear to amend this provision in the legislation to provide that the agency responsible shall not be a judge but, rather, the appropriate minister of the federal and provincial governments.

There are clauses in this bill which deal with the right of the police to conduct electronic surveillance where it is believed that espionage or insurrection is planned. No one would question the very serious effects that such plans might have on this country and on our democratic rights. On the other hand, we must be extremely careful that such powers are not misused and abused. Need I remind members of the House of the events of October, 1970—of the more than 400 people who were apprehended in Quebec under the provisions of the War Measures Act? Need I remind members of the House that a very small number, a handful, were actually charged and even fewer were convicted?

Obviously, a large number of people were apprehended and held for a time when they were either not guilty or the government did not believe it had enough evidence to make a charge stick in court. Without again debating the events of October, 1970, I think we should learn a lesson from them and be careful that the powers given to the police and the government under the clauses of this bill which deal with the Official Secrets Act, and so on, are not abused.

Mr. Speaker, I have no concrete suggestions to make at this time. However, I hope the committee will deal with this matter extremely carefully in light of experience gained over the years as a result of actions of not just this government but earlier governments—experience which goes back, in my city, as far as 1919. At that time the father of the hon. member for Vancouver-Kingsway (Mrs. MacInnis) was charged for printing in a newspaper two verses from Isaiah. I think we ought to be extremely careful and take whatever steps we can to guarantee that this kind of excess will not recur.

I do not want to prolong this debate unnecessarily, Mr. Speaker. We shall not oppose the bill at this stage. However, I say to the minister that I for one am gravely apprehensive about what the bill will do. I think my colleagues share my apprehension. We are afraid the bill will do exactly what the government says it will do. It will restrict and curtail the rights of people in this country. It will affect private citizens and the police. It will give the authorities the right to interfere with, to intercept and to listen to private conversations between ordinary citizens in this country.

• (2030)

I wish, Mr. Speaker, I could support this bill wholeheartedly. I wish I thought this bill will do those things which the minister talked about. I think the illustrations given by Professor Ryan and the letter written by the Civil Liberties Association to the former minister of justice show that citizens of this country more experienced and knowledgeable about this matter than I am gravely doubt the wisdom of the approach the government is taking in the bill.

The Acting Speaker (Mr. Boulanger): Order, please. Is the house ready for the question?

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I had not intended participating in this debate. I thought I would wait until the Standing Committee on Justice and Legal Affairs had had an opportunity to examine the bill and recommend changes to it and express my views at the report stage. The more I read this bill, the more I am profoundly disturbed about some of its provisions. I was particularly disturbed after listening to the speech of the Minister of Justice (Mr. Lang) this afternoon. Therefore, I crave the indulgence of the House for a few minutes so that I may make some preliminary remarks about the legislation in the hope that the Standing Committee on Justice and Legal Affairs, made up of some of the best legal brains in the House—

Mr. Alexander: Hear, hear!

Mr. Douglas: —will carefully examine the bill and reconsider some of the provisions which give me and my colleagues cause for deep concern. I am sure every hon. member of the House endorses the principle of the bill. Its purpose is to guarantee to every Canadian citizen privacy and protection against wiretapping and eavesdropping through the use of electronic devices.

In a complex, congested society such as ours we all feel the need to preserve our privacy. Men and women have the right to privacy in their own homes; they have the right not to allow interlopers to invade their homes. We have the right to receive our mail freely and not have it intercepted and perused by unauthorized persons. In the same way, surely we have the right to carry on conversa-

tions with our friends, loved ones or business associates over the telephone without the conversations being intercepted and perhaps recorded for an ulterior purpose. Therefore, I am sure that all members of the House and most people of this country agree that legislation making wiretapping and electronic eavesdropping illegal and making the selling, possession or use of these devices a criminal offence ought to be wholeheartedly supported by every right thinking Canadian.

What causes us concern is the definite exceptions to the prohibition against wiretapping and electronic eavesdropping. Let me enumerate a few exceptions. First, the Solicitor General, on his own behalf, through a peace officer or a person designated by him, may go to a judge of the superior court and ask for authorization to bug somebody's telephone, to eavesdrop in a person's home or in any other place where the person may be carrying on a private conversation.

The Standing Committee on Justice and Legal Affairs will need to ascertain the criteria which the judge must use in deciding whether he will approve or deny such authorization. In some circumstances that will not be difficult. If the person whose conversations are to be intercepted has a criminal record or is known to be associated with a gang of narcotics smugglers, say, it will not be difficult for the judge to approve the application. But there will be border line cases. The evidence placed before the judge will be only the evidence presented by the peace officer or person designated by the Solicitor General. He will hear only such information as those who want to apprehend the person, charge him and see him convicted, want to place before him. This means that the privacy of many innocent persons could be invaded.

Even worse, the Solicitor General may, without the judge's authorization, issue a temporary permit for 36 hours for the interception of conversations of persons on whom he wants his officers to spy. In that case there will be no judicial scrutiny of any application for interception, because the judge, jury and executioner will be the Solicitor General and he alone will decide whether for 36 hours your telephone, Mr. Speaker, mine or somebody else's is to be tapped. He alone will decide whether a bugging device is to be attached to a person's car, home or conference room. This is a tremendous responsibility for parliament to give to any man, even though he be Solicitor General of this country.

The attorneys general of the provinces also are exempt from the prohibitions against wiretapping and eavesdropping. They are to be given the same powers as the Solicitor General. They, too, through a peace officer designated by them can apply to a judge for authorization to eavesdrop. They, too, may grant temporary permits without first going to a judge. They may do this entirely at their own discretion and on their own initiative. The attorney general of a province may have the home of any citizen bugged and any business premise wiretapped. He and he alone has the right to decide whether electronic eavesdropping will be carried out.

• (2040)

One of the problems parliament has always had with the Criminal Code is that while parliament passed the Criminal Code and amends it from time to time, except for those matters which are solely under federal jurisdiction, the administration of the Criminal Code lies within the jurisdiction of the attorneys general of the provinces. While Parliament can pass legislation dealing with the criminal law of Canada, it has no power to call to account those who administer that law except in respect of items which come solely within federal jurisdiction. Therefore, Parliament has to be very careful about the kind of power it gives to attorneys general.

When we give power to a minister of the Crown who is a member of this parliament, we can call him to account. When we give power to the Solicitor General or the Minister of Justice, we have at least the right to question them, bring them before a committee of the House and make them give an accounting of the manner in which they have exercised that power. However, when we give power to an attorney general we have no such authority.

If anyone wants an example of this type of power can do, he has only to go back to October, November and December of 1970. This parliament passed the Public Order (Temporary Measures) Act. It not only gave sweeping powers to the solicitor general and minister of justice but it gave those powers to the attorneys general of the provinces. That legislation permitted arrest without charge and detainment without trial. It made no provision for guaranteeing that persons arrested would be allowed to communicate with legal counsel or with their families.

The then minister of justice, I think quite conscientiously, said that these basic liberties would be observed. But, Mr. Speaker, they were not observed. Nearly 500 persons were arrested without charge and detained without trial. There were proven cases of police brutality. These were fully investigated by the Civil Liberties Association. When day after day we asked the minister of justice about it, like Pilate he washed his hands and said, "Direct your questions to the minister of justice of the province of Quebec. Parliament gave him this power." The Minister of Justice said the Quebec minister of justice was not accountable to him and that that minister was exercising the powers which Parliament had given to him. Parliament had no control over what he did with those powers, even if he abused them. That experience ought to make every member of this House very hesitant about the kind of power we give to ministers over whom we have no control and whom we cannot call to account.

What we are doing here is saying that an attorney general of a province has the same power as the Solicitor General. He has the authority himself, through one of his intermediaries, to go to a judge and ask for authorization to tap a telephone or bug a home, office or conference room. Even more serious, he has the authority to do this on his own, without authorization from the court, for a period of 36 hours. No one should tell me the attorney general has to issue a report at the end of the year. How are you to going to force him to report?

When I asked the Minister of Justice this afternoon how he is going to guarantee a report, the minister said the legislation is silent on that point. I suspect the government will also be silent on it. There is no way you can make a provincial attorney general issue a report or bring him to account. All he has to do at the end of the year is say there

were "X" number of temporary permits issued in his province for the purpose of bugging telephones or eaves dropping in places where persons were gathered to carry on private conversations.

I am not prepared to give these kinds of powers to a minister in this House; therefore I am much less prepared to give such powers to a minister outside this House over whom the House has no control and no authority whatsoever. If I am here in years to come and ask the Solicitor General a question such as I have referred to, I do not propose to have him answer that the matter is under the jurisdiction of the minister of such and such a province and I will have to ask him, because the Solicitor General has no authority over what the provincial minister does under the legislation.

I think the most serious exception to this prohibition against wiretapping and electronic eavesdropping is contained in clause 5 of the bill, amending the Official Secrets Act which, without the authorization of a court and for no limited period of time, allows the solicitor General at his discretion to order invasion of the privacy of any citizen of Canada where he is satisfied that such action is necessary for, and I quote, the—

—detection of espionage, sabotage or any other subversive activity directed against Canada or detrimental to the security of Canada—

I recognize that very rigorous powers are necessary when we are dealing with espionage and sabotage, but we have had enought experience in this country to know what strange interpretations can be put on the words "subversive activity" and even more on the vague and nebulous phrase "detrimental to the security of Canada". Under these phrases we have seen university student groups and trade union groups investigated. Under this kind of phrase, candidates for FRAP in the Montreal civic elections in the fall of 1970 were thrown into jail. It depends entirely on the point of view as to what constitutes subversive activity and what is detrimental to the security of Canada. There have been attorneys general, solicitors general and ministers of justice who looked upon any group which was seeking, even by democratic means, to bring about fundamental changes in our society as carrying on subversive activities and being detrimental to the security of Canada.

This bill gives sweeping power to a minister who entirely on his own initiative and entirely at his own discretion can bug your telephone, Mr. Speaker, mine or that of any other person whom he thinks is likely to be guilty of subversive activity or doing or saying something which is detrimental to the security of Canada.

• (2050)

Our experience of the way in which governments interpret the security of Canada does not give me ground for much confidence in this legislation. I think of civil servants who have been dismissed, and the only ground given for their dismissal was that they were security risks—nothing more. No evidence was forthcoming; they were not allowed to face their accusers or hear the accusations made against them; they were not allowed legal counsel; they were not permitted to examine the evidence upon which they had been condemned.

This makes me apprehensive when I read clauses like five and six in this part of the bill. I think of what some agencies of government have done, of individuals who have been denied entry into Canada or who have been deported from Canada for security reasons. No evidence was forthcoming. There was no way of finding out whether it was hearsay evidence, whether it was gossip, whether some malicious neighbour had reported on them adversely. I believe a recent edition of *Macleans* told the story of a Canadian who had served in the last war, lived here for many years but had been unable to obtain Canadian citizenship.

I recall the case of a British couple living in Burnaby who came here in 1948. Both the husband and the wife had served in the British army. To the best of my knowledge they are good citizens, active in civic affairs, but they were denied Canadian citizenship and they cannot find out why. I could not find out why. No one would even say that they were security risks. They were simply told it was not in the public interest that their application be approved. When governments can hide behind excuses of this kind, merely saying that someone is a security risk or has been carrying on subversive activities, which sometimes means he has joined an association of unemployed, I read these provisions with apprehension and trepidation.

All of us in this House support the principle of the bill before us. We approve the idea of preventing any invasion of the privacy of Canadian citizens by means of electronic devices of one kind or another. What disturbs me is that the exceptions are so sweeping that they are open to abuse. The bill contains nothing like the safeguards it ought to contain if we are to have confidence that these sweeping powers, which are being given not only to a minister of this government but to the attorneys general of all the provinces, will not be abused.

I realize, of course, that the Minister of Justice and the Solicitor General (Mr. Goyer) will argue that it is necessary for us to accept these sweeping powers and these possible invasions of our privacy in order to safeguard the country against criminal elements. But I remember the words of Edmund Burke, who said: "Necessity has been the excuse for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves." Let no one for one moment think I am suggesting the Minister of Justice is a tyrant. I both know him and like him too well for that. What I am saying is that tyranny always begins by persuading us to surrender some of our civil liberties in order to protect our larger freedoms. But after this process has continued long enough we find we have lost those larger freedoms.

Some hon. Members: Hear, hear!

Mr. Douglas: We cannot protect freedom by undermining freedom. It is an old saying, but it is still true, that the price of liberty is eternal vigilance. Unless we question these small and insidious encroachments upon our civil liberties, we shall find that the very basis of freedom and democracy upon which this country is built has been destroyed. I once heard an old friend of mine, Aneurin Bevan, making a speech in which he said: "In Germany, democracy died by the headsman's axe; in Great Britain it

could die of pernicious anaemia." That is true. When a country becomes complacent and indifferent to the liberties it enjoys, it is only a matter of time before it loses them.

Like many other members of this House, I have been in countries where hotel rooms were bugged and conference rooms were fitted with electronic devices enabling others to listen to our conversations. I know, as do other hon. members, how in such surroundings fear corrodes human relationships so that men no longer possess the vitality and the outgoing spirit which characterizes a free people. It is because I fear we may take a step in this direction that I intervene in the debate tonight.

I express the hope that the Standing Committee on Justice and Legal Affairs will examine this legislation very carefully. They will have the support of all members of the House in every party, I am sure, in promoting the principle of protecting the Canadian people against all invasions of their privacy by electronic means. But I plead with members of that committee to look very carefully at the sweeping powers which the government proposes to give to certain ministers, with a view to determining how those powers can be restrained and the freedom of Canadians safeguarded. If the committee members do this, they will earn our gratitude. If they fail to do so, Mr. Speaker, Bill C-6 will encounter a stormy passage when it returns to the House of Commons.

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): Mr. Speaker, like the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) I did not originally intend to speak in the debate tonight. May I say, though, with the greatest respect, that I believe he has, in a way, distorted what the bill before us is seeking to accomplish.

• (2100)

As I understand the present law, the fact is that anybody at any time may use an electronic eavesdropping device for the purpose of interfering with the very private and proper communications of other people. In the vein of the hon. member's speech, he suggests that this bill restricts our civil liberties. With the greatest respect, with some of the reservations used this bill does more to entrench them and to make sure that privacy of communication, to the extent allowed by the bill, is permitted to exist. I thing it ill behooves the hon. member to suggest that this is an infringement of liberties. It is an entrenchment of liberties, not an encroachment upon them. In short, we are determining that the unlawful interception of private communications shall no longer be tolerated except as permitted by this measure.

Mr. Douglas (Nanaimo-Cowichan-The Islands): It is the exceptions to which I object.

Mr. Hogarth: The hon. member has said that he is concerned about the exceptions, and I agree. I will deal with that matter right now. This question came before the justice committee some two years ago. I do not think I disclose any private conversations or communications which have been intercepted by electronic devices when I say that we have discussed this matter extensively. Many of us on this side of the House are deeply concerned about the reservations given in this bill to the solicitor general and the attorneys general of the province in matters of national security and emergencies.

I wish to assure the hon. member of my certainty that the justice committee, which has always acted in very much a non-partisan manner, would be most open to any suggestion he might put forward to correct the provisions of this bill and, hopefully, appreciate all the problems involved—and believe me , they do not all appear quite as superficially or as black and white civil liberties or tyranny as the hon. member has put it.

We are in a sense faced with this problem. We have in this nation and in every nation in the world advanced means of communication. We have laser beams, satellites and telephone systems that can get us instantly in touch with any part of the nation. As much as these have been used and are being used for the great benefit of mankind in 99.9 per cent of the cases, they are also being used to the detriment of mankind. For instance, they are being used by the purveyors of narcotic drugs. The hon. member should have been before the justice committee this afternoon and heard the appalling evidence of the commissioner of the RCMP who advised us of the increase in the number of heroin addicts in Canada. We know that purveyors of heroin are involved in a syndicated process of selling the drug, unfortunately mostly to our youth, and they use the telephone more than any other means of communication.

In the interests of the enforcement of law and the destruction of this nefarious activity, we must be allowed to use all modern scientific techniques to intercept these communications and use them in courts of law. With great respect, I think that the provisions for applying to a judge in the instances provided, where there is a long-term investigation, just as one applies for a search warrant today and has for centuries, are perfectly reasonable. These principles will apply for the purpose of using these modern techniques in the interests of enforcing the law.

There is always an eternal balance between what society requires for law enforcement and what should be the rights of the individual to preserve his privacy. The answer to that problem depends upon the times in which we live and the activities taking place in our society. I do not believe that this bill, in so far as the normal police application to a judge for a warrant to proceed to intercept communications is concerned, goes beyond that which is necessary in our society today.

Having regard to emergency provisions—it is in this respect that the hon. member was so concerned—there is a reservation in this bill, in section 171.15. If the hon. member really thinks this matter through, I am sure he will recognize that there are circumstances in which you cannot make an application to a judge because there is not time. The evidence is coming immediately; the knowledge of the officers is such that they must move immediately. I would ask the hon. member to come before the justice committee and give us solutions to that problem .

I think this provision in the main will be used more by the attorneys general of the provinces than by the Solicitor General. I would ask the hon. member to give the justice committee the solution to an emergency situation where there is not time to prepare the affidavit which is

required under this bill and where there is not time to confer on whether an application should be made on a Tuesday morning or a Wednesday morning, the police knowing that they must move immediately and that the evidence is extremely important. Perhaps the investigation has to do with the importation of 50 or 60 pounds of heroin through the port of Nanaimo. The local police know it is coming in at two o'clock in the morning and the details will be telephoned at eleven o'clock that night. Where do the police go? They cannot go to a Supreme Court judge in British Columbia, because there is not one in Nanaimo. But they can get the attorney general on the phone and he can give the emergency order that is contemplated by this bill. I ask the hon. member, inasmuch as I appreciate the counter point of view—I really do because I am not sure I am happy about the whole concept of "emergency" as it appears in this bill—to come before the justice committee and give us a solution to these emergency problems. I know the committee will listen to him.

Those of us who have participated in cases in criminal courts which have involved the admissibility of taped evidence, evidence obtained by electronic devices, have been impressed with something this bill has omitted, that is, the fantastic impact that taped evidence has on a jury during the course of the case. It is one thing to hear a witness describe what the accused said to Mr. Jones or what he overheard the accused say on the telephone but it is another to hear in the courtroom his actual voice on the tape. It has tremendous weight with any jury. I suggest that all hon. members when considering this bill bear in mind that this type of evidence is much stronger than the usual *viva voce* evidence you get in a courtroom.

As I understand the law as it is now, a transcript of what is said on the tape can be prepared and given to the jury so there can be no doubt about what was on the tape when it was played back in the courtroom. This is extremely powerful evidence and is another matter we must consider in committee when we are going through the details of this bill.

In short, it is extremely difficult for an accused person who has made a statement of confession, so to speak, on the telephone, which has been taped and the tape introduced in evidence, to in any way deny that he said it or that it was taken out of context, as opposed to a witness who said he overheard him say it in a beer parlour or something like this. The witness can be cross-examined by experienced counsel and his evidence weakened, perhaps, and the tapes cannot. We should not forget this point when we consider this bill, because this practice strengthens the law and I do not minimize the extent to which it does strengthen it.

• (2110)

Another very interesting aspect of this bill is that it is introducing the United States evidentiary concept. It is almost exclusively a United States concept that evidence illegally obtained cannot be admitted in a courtroom. Under the British concept, evidence that is illegally obtained—that is, if stolen goods are found without a search warrant or in certain instances the evidence has been obtained by trespass or something of that nature—the evidence none the less is admissible. Certainly in the United States rule, for instance in the Miranda and Escobedo case, where evidence is illegally obtained it is ruled that it cannot be introduced in court.

One of the criticisms which might be directed against this bill, although I am inclined to favour the government's decision to include it, is that the slightest technicality in the application to the judge, such as the time expiring at twelve o'clock and the tape was made at 12.05, means the evidence is inadmissible. Everybody knows what was said on the telephone or on the tape and everybody knows that the accused is guilty, but technically it cannot be proven.

If I have the opportunity to sit on the Standing Committee on Justice and Legal Affairs I will suggest there be flexibility in that provision so that the judge has the right to say that it was merely a technical deviation from the authorization allowed in the application made before him. I think this is a matter to which the Committee on Justice and Legal Affairs might give its attention.

I would not want to think that the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was left with the impression that we on this side of the House are oblivious to the special powers that have been reserved here for the Solicitor General, particularly in respect of the Official Secrets Act. But in this country we are faced with the very fundamental fact that there are forces which would like to be at work to destroy this institution and even prevent the hon. member and myself speaking here tonight. They would prevent my telling the hon. minister from so-and-so exactly what I feel.

Because I speak in this manner I do not wish to leave the impression that I am paranoid about this. I do not think everyone behind the bush who expresses a violent contrary opinion against the government would overthrow the government. However, the fact is that I honestly believe it is the duty of the government not to prosecute such people but to constantly keep watch on what is happening and be able to constantly inform and take action if necessary when such activities reach the level where social order is to be disturbed by violence. I do not mean by hotheaded youngsters talking about what they would do to the government but a concerted effort to destroy and undermine what we respect as our social order.

Many of those who are violently opposed to some aspect of our society do not use violent means to express their opposition. I think there are many people in this country who appear to be violent but are not. But there are those who very carefully use many institutions in our country for the purpose of expressing some rather nefarious things, and I think the government must keep track of what is going on. This cannot be done through the normal channel of an application made to a judge, because no crime is being committed. It can only be done in the interest of national security. I think the time comes when we must show confidence in the people who are endowed with the responsibility of carrying out this function.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I rise to take part in this debate basically to express the view of a layman on this issue. I have listened to the opinions expressed by those with legal minds who have spoken in the debate. I was particularly interested in the remarks of

the hon. member for Broadview (Mr. Gilbert), the hon. member for Hamilton West (Mr. Alexander) and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). However, I wish to express the few concerns I have regarding this legislation.

Those of us who are from the country have had for a long time our own system of wiretapping, although it is not as serious as that being discussed this evening. This is called the party line. What we are discussing tonight reaches the fundamental freedoms and fundamental liberties of this nation. In this country, as in other countries, there has been a long history of trying to reach a balance, as the hon. member for New Westminster (Mr. Hogarth) mentioned, in terms of civil liberties of the individual as against any kind of subversive activity.

The hon. member for New Westminster pointed out a number of matters. He said that under the present law anyone can wiretap. May I point out to him that if this is so, surely in changing the law as we are now by amendment we should ensure that the actions of the government involving a kind of wiretapping do not infringe on the civil liberties of citizens. We should be extremely careful of the manner in which—this is the opinion I wish to express to the Standing Committee on Justice and Legal Affairs—we word any kind of legislation pertaining to such devices as wiretapping.

The hon. member said that as society moves along there must be some kind of eternal balance in terms of questions concerning civil liberties. I might point out that all societies have changed. Can one say, for example, that there was a balance in terms of the actions of men such as Robespierre? I feel that there should be serious consideration given by the hon. member to the part of the legislation which deals with the Official Secrets Act. This provision appears in clause 16(2):

> The Solicitor General of Canada may issue a warrant authorizing the interception or seizure of any communication if he is satisfied by evidence on oath that
>
> (a) the purpose of such interception or seizure is related to the prevention or detection of espionage, sabotage or any other subversive activity directed against Canada or detrimental to the security of Canada; and
>
> (b) such interception or seizure is necessary in the public interest.

The concept of public interest has been considered throughout the century regardless of the type of government and who sits in power. The judgment of what is in the public interest is very important in terms of what is suggested here. I would hope that the members of the Committee on Justice and Legal Affairs will seriously examine this part of the legislation. The bill goes on to provide:

> A warrant issued pursuant to subsection (2) shall specify
>
> (a) the type of communication to be intercepted or seized;
>
> (b) the person or persons who may make the interception or seizure; and
>
> (c) the length of time for which the warrant is in force.
>
> The Commissioner of the Royal Canadian Mounted Police shall from time to time make a report to the Solicitor General of Canada with respect to each warrant issued pursuant to subsection (2) setting forth particulars of the manner in which the warrant was used and the results, if any, obtained from such use.

[Mr. Knight.]

• (2120)

There are some real questions as to what is a subversive activity directed against Canada or detrimental to the security of Canada. I assume that members across the way believe as we do in the protection of civil liberties, but who defines that grey area of subversiveness? Who defines the activities of people who discuss politics or form political groups? Who defines what is a subversive activity and what is against the public interest? Can we interpret as subversive certain comments or actions of such groups as Action Canada? I suggest that this government would undoubtedly not allow itself to use such powers—at least I hope not—but this kind of legislation lays itself open to the interpretation of others who may sit on the government benches.

I recall, when I was a university student, the actions and the writings in student newspapers concerning the role of the RCMP in terms of investigation. Just who did they investigate? Did they investigate anyone who they felt had radical ideas? To that age group, sometimes what are considered radical ideas are really conservative ideas. The hon. member for New Westminster spoke about keeping the right balance. One wonders whether, under this legislation, what is out of balance with the thoughts of our society is subversive. That is the key. This might apply not only to people on the left but to those on the right in the interpretation of governments. So we must be careful in our interpretation.

I remember the time when a young mountie taking a training course in Regina showed me a history book which they used to teach new recruits the history of the development of the RCMP. He referred to the comments in the history book regarding the Regina riot in the 1930s during the great depression, and the riot in Estevan during the 1930s when three coal miners were shot and killed. The history book gave a simplistic judgment of the causes and effects of those riots and stated that they were the result of communist activity. It was a complete whitewash.

I submit that this is the kind of attitude in our society that can lead to the misue of power under this kind of legislation. I call on the Committee on Justice and Legal Affairs, and on my good friend the hon. member for Hamilton West, to examine this legislation carefully.

Mr. Alexander: Why are you friendly to me tonight?

Mr. Knight: Other aspects of the legislation are good, but this particular aspect calls for serious examination of its implications, especially with regard to how political radicalism is defined. I remember that when I was younger I used to listen to the debates in the House of Commons.

Mr. Alexander: How old are you now, sir?

Mr. Knight: I remember, also, reading the statements of the Minister of Agriculture (Mr. Olson) when he was expounding the theories of the Social Credit party. At that time this was the kind of radicalism that developed in Alberta. Thank goodness it did not spread further. That is the kind of thing we have to watch and be aware of in the

future. I hope the committee will examine this legislation very seriously.

I have been somewhat surprised and confused by the lack of statements from representatives of the Social Credit party. Today we have heard from them a speech concerning the Gray report and we have heard from them much talk about subversiveness. I wonder whether they feel that this legislation is either too weak or too strong. I think they should express their point of view on it.

Essentially we get back to a very simple issue. The purpose of the interpretation of seizure is related to the detection of espionage, sabotage or any other subversive activity directed against Canada or detrimental to the security of Canada. We must ask ourselves whether seizure is necessary in the public interest. I hope the committee will seriously re-examine that aspect of the legislation.

[*Translation*]

Mr. Yves Forest (Brome-Missisquoi): Mr. Speaker, I wish to participate briefly in this debate to indicate my support of Bill C-6 entitled "An Act to amend the Criminal Code, the Crown Liability Act and the Official Secrets Act" which is intended to respect and protect the privacy of individuals.

Even though this subject has been discussed on several occasions in recent years, through notices of motions or private bills, this is the first time that parliament is called upon to examine a bill concerning intrusion upon privacy with the help of electromagnetic, acoustic, mechanical or other devices. I think the government and the Minister of Justice (Mr. Lang) are to be congratulated for introducing a practical, concrete and realistic legislation which might remedy this situation in today's world.

Unfortunately Mr. Speaker, I was no longer a member, in 1968-69, of the Committee on Justice and Legal Affairs as private bills were then examined and experts were called upon on this subject. I had then other duties but I had been a member of this committee until 1968, to my deep satisfaction. I think the bill before us is taking into account most of the recommendations which had been made by the Committee on Justice and Legal Affairs in its report which was tabled in the House.

Nowadays, the right to privacy is a strict matter as we are living in an era of advanced electronics and technology and wiretapping has reached an unheard-of degree of sophistication about which we do not yet know every aspect.

The right to privacy had not yet been firmly entrenched as it is a new legal concept now being introduced as against those traditional rights of freedom of speech, religion, press, association and meeting. However, I still think it is a privilege which is closely related to fundamental rights and which must fulfil an increasing role in our society.

• (2130)

It runs contrary to our concept of justice and democracy that an individual should be spied upon by the state or by anybody without there being well-defined and controlled restrictions. And yet, such is the present situation where no legislation specifies under which circumstances and conditions wire-tapping can be used.

In order to protect individual freedom, this bill provides for three new criminal offences: first, the interception of private communications with a device or piece of equipment defined as an electromagnetic device, or others; second, the fact of disclosing private communications intercepted with a device as described in the bill; and third, the fact of possessing, selling or buying such devices. I think this list of offences covers just about any situation which can occur in the area of wire-tapping.

However, if the right of the individual to privacy is to be protected, society must also protect itself, for there is no doubt that those who want to attack this country, to endanger national security, or to sabotage our democratic institutions—i.e., criminals, gangsters, anarchists, and other people of that type—also have those devices available to them and do not hesitate to use them for illegal purposes in order to fulfill their ambitions or to work out their resentment.

It was also necessary, therefore, to allow police forces and police authorities to use modern refined electronic techniques in order to preserve national security, fight criminals and check the activities of subversive organizations.

I feel, Mr. Speaker, that this bill as presented reconciles the right to privacy, which cannot be absolute, with the need for society to ensure its own security.

In order that the police forces may not misuse the privilege they have to infringe upon the basic right of privacy, an application must be made to a judge of a superior court of criminal jurisdiction who, following the representations made to him by the officers designated by an authorized person, will be responsible to determining the conditions and the period of time, which may not exceed 30 days, under which the interception might be carried out. Such authorization could be renewed, but only for major reasons that must be again specified.

In urgent cases, an officer could use the same means, but he should subsequently obtain the authorization from a judge of a superior court.

I submit that it was right to defer to a superior court judge the decision to authorize or not the interceptions by means of wiretapping and not to rely, for instance, solely on the minister to take such a decision, without any control of a political or a judicial character, as customary elsewhere in certain countries including, I think, the United Kingdom.

The Committee on Justice and Legal Affairs has drawn a list of various major crimes and has suggested that this method could be authorized. But the bill does not reflect this suggestion and interception will be allowed in the case of an offence as defined in the act and I quote:

> 178.1 —"offence" means an offence created by an Act of the Parliament of Canada for which an offender may be prosecuted by indictment—

Finally, everything will at the judge's discretion.

But the act does not mention this control only. By amending the Crown Liability Act, a further control is established: the setting up of a compensation system for unlawful invasion of privacy by a Crown official. The damages, which may be compensated to a maximum of

$5,000, may be paid by the Crown; they might even be paid by the officer at fault.

Mr. Speaker, no doubt that as a result of the introduction of this bill, the provinces will follow suit either by modifying it or proposing another piece of legislation also aimed at protecting those who fall victims to illegal acts carried out by provincial officials in right of the Crown and providing legal means for victims to seek damages or some other kind of compensation.

Mr. Speaker, considering the provisions of the bill such as the notice of intention given to the party concerned to the effect that an intercepted private communication will be adduced in evidence and taking into account other restrictions provided in the legislation, I think that the guarantees are sufficient for the protection of individual rights.

As regards the public, it will be necessary, in view of the reports which the solicitor general and the provincial attorneys general will have to prepare, to determine to what extent these methods are used for the detection of criminals and other such aims.

Mr. Speaker, I believe that the bill provides for the establishment of a mechanism capable of protecting the average citizen who really has nothing to fear from such a bill, as well as society which needs to be protected now more than ever before.

Mr. Speaker, in concluding my remarks, I am pleased to support the bill and I hope that it will be passed by the House.

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I listened carefully to the remarks of previous speakers and I want to thank them for their constructive suggestions.

We have gone through this stage of the procedure with a speed which clearly shows, Mr. Speaker, that all members are anxious to see this bill go through the next stage, and then become part of our statutes.

This measure is part of the long series of reforms undertaken by the present government in order to ensure a greater respect of individual freedom and privacy.

One can easily understand the concerns voiced by the four members of the New Democratic Party, and I am sure that their distinguished representative on the Committee on Justice and Legal Affairs will be able to obtain from the minister the answers to their objections, with a view to clarifying the situation for the benefit of his colleagues, of all the other members of this House, and the general public, in order to give them a better understanding of this bill.

Mr. Speaker, that is what I wanted to say to close this debate. I want to thank once more the House for its co-operation.

[*English*]

Motion agreed to, bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

[Mr. Forest.]

FARM CREDIT ACT

AMENDMENTS RESPECTING LOANS AND POWERS AND CAPITAL OF CORPORATION

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-5, to amend the Farm Credit Act, be read the second time and referred to the Standing Committee on Agriculture.

• (2140)

He said: Mr. Speaker, Bill C-5 contains many important amendments to the Farm Credit Act. The general objective of the amendments is to enhance the ability of the Farm Credit Corporation to meet what I think are demonstrated, long-term credit needs for the development of viable farm businesses, and to provide the corporation with the powers necessary to carry out such other duties or functions as may be assigned to it in relation to the administration of those programs.

One of the most important to us now is, of course, the small farms development program. This program has been authorized by the House under the vote that has been presented to hon. members and passed. It seems to us, however, that it would be useful to have a provision in the statutory authority whereby the Farm Credit Corporation, because of the number of offices and the experienced field personnel, has authority to perform these functions.

Mr. Speaker, there are two main areas of these amendments. The first is the updating, bringing into 1972 and the years ahead, of the requirements of certain limitations that were put in, quite appropriately, at the time. I refer to such things as the maximum amount of loans which has not been changed since 1964, I believe, and certainly since then there has been an increase in land value and the size of farm units. We intend to change that provision.

There are other factors within the bill about which I wish to speak in some detail. One is the restrictions that were placed on farmers with respect to the amounts or the method and procedures they were required to use in relation to a loan taken under the FCC and one taken under the Farm Improvement Loans Act. Hon. members will know that experience has shown that even in certain areas where this seemed to be necessary, it is not required; so that restriction or limitation is being repealed. The other main area of these amendments is to provide for new concepts and functions that the FCC will be administering in the agricultural sector of Canada.

With those few introductory remarks I should like to get down—

An hon. Member: Explain!

Mr. Olson: I intend to explain some of these in detail and even to explain what I have said in more detail. Hon. members will realize that the powers of the corporation are being changed. The present powers of the corporation are those required to fulfil its objectives and purposes, which are to make, to administer and supervise farm loans. That is about as far as the powers granted to the corporation in the past would go. The corporation has a staff experienced in farm appraisals and farm land transactions deployed throughout the agricultural areas of

Canada. We think that with this background the amendment will permit the minister to utilize this source of expert knowledge through the assignment of responsibility for other administrative programs. The first one that we have in mind is the land transfer program of the small farm development plan.

The second main change, Mr. Speaker, is authorized capital. The Minister of Finance is authorized at the present time to subscribe $56 million to the capital of the corporation and to lend the corporation 25 times this capital, or $1.4 billion. An estimated $245 million will be left unexpended as of March 31, 1972, so an increase of $10 million, permitting the borrowing of an additional $250 million, will provide for the future lending program of the corporation for some time. Hon. members will realize that this is $495 million in total. When that requirement is met or if it is met in four or five years or however long it takes, we will be back to parliament with further amendments.

An hon. Member: You will not be back.

Mr. Olson: Mr. Speaker, the hon. member says that I will not be back. By that time I will have been around for 20 years, almost as long as the hon. member for Winnipeg North Centre (Mr. Knowles). Maybe that is long enough, but I am pretty sure that my colleagues will be over here.

An hon. Member: Which colleagues?

Mr. Marchand (Kamloops-Cariboo): He will be the first one back.

Mr. Olson: In addition to the specific purposes for which loans may be made, the act authorizes loans for any purpose which is necessary—I underline the word "necessary" because that is in the act at the present time—to the efficient operation of the mortgaged farm. This provision has been interpreted rather restrictively because of the word "necessary". The revised wording will replace it with the two words "will facilitate", so that loans may be made for any reasonable purpose related to the acquisition, operation, maintenance or development of the farm business. We have some cases which we would like to explain in more detail to the standing committee, when this bill goes there, relative to the significant difference between "necessary" and "will facilitate" and what it may mean in the practical application of the act.

A further point, Mr. Speaker, is that in one of the amendments we will change the requirement so that loans will be made to Canadian citizens or to landed immigrants within the meaning of the Immigration Act. From then on it is intended that loans will be made to assist only persons who are Canadian citizens or who intend to be permanently domiciled in Canada. At the present time, as hon. members know, it is legally possible to make loans to other than Canadian citizens or landed immigrants. We believe they should be primarily, or perhaps even exclusively for the benefit of Canadian citizens and landed immigrants.

Another major change is with respect to the maximum amount of loans. This matter is dealt with in clause 4. Hon. members know that the present loan limits for individual farm operators, which are $40,000 maximum under part II and $55,000 under part III, were established in 1964. Limits for multiple owner operations, that is, from $80,000 for two and up to $100,000 for more than two under part II, were established when the bill was amended in 1968. The amendment in this bill provides for a maximum of $100,000 to any farmer alone or jointly with others or in respect of a single farming enterprise. The size of individual farm units is increasing steadily, labour is being replaced in many cases by capital and the purchasing power of the dollar has decreased a little during recent years—

An hon. Member: He did not even smile.

Mr. Olson: —so that mortgage credit in amounts and for the terms required is not available from other sources. Thus, the limits for individual farm operators that were set in 1964 are now in our view inadequate for meeting the needs of many farmers, particularly those who wish to take advantage of more advanced technology and mechanization. Such farmers incur many costs.

• (2150)

The principle of relating loan ceilings to the number of farm operators rather than to the size of the business has proven in practice to be inequitable for individual farmers employing hired labour or people other than those with an equity in the farm unit. The principle has also proved inequitable, I suggest, in situations where the farmer operating his farm is assisted by sons or daughters of minor age, compared to two or more owner operators in a farming operation or a form of partnership. We want to correct that situation.

There is to be another change. It deals with secondary, non-farm enterprise. Perhaps it might be better to describe it as dealing with non-agricultural enterprise, although it deals with farms or is related to farms. Although the act authorizes the corporation to provide credit for the development on the mortgaged land of a secondary enterprise not being an agricultural enterprise, the corporation is not permitted to take the ability of the farm to produce non-farm revenue into consideration in establishing the appraised value of the farm to determine the upper limit of the loan.

This amendment will permit such values to be taken into consideration and will permit loans to be given which are more in keeping with the property's actual potential for carrying and servicing the debt and all the amortization charges associated with the loan. It will also make it possible for many small farmers to make better use of their resources without being entirely dependent on agriculture.

There is to be another major change as well. The change I am about to refer to is not a mere updating of the law but is a major change. Loans on land will be subject to the life interests of those who want to remain there. This amendment authorizes the corporation to lend on the security of farmlands with respect to which a right to use the buildings—particularly the home, although it can be broader than that—is retained by any person for a period not exceeding his lifetime or the lifetime of his spouse.

Situations can arise, particularly under plans such as the small farm development plan, where a retiring farmer

selling his farm will be able to retain, if he wishes, the use of the buildings for a period not exceeding his lifetime or the lifetime of his spouse. The purchaser of such a farm who is eligible to borrow may wish to finance the purchase through a loan from the corporation. If this bill passes, such a provision can be incorporated in the terms and conditions of the loan.

We also intend to change the minimum age of borrowers. The present act does not permit the making of loans to farmers under the age of 21 years. This provision is specifically written into the act as it is at present. There is evidence of a general inclination to lower the legal age from 21. This has been done, actually, in a number of provinces. With the minimum age removed from the act, the corporation will be guided by the applicable provincial laws which set the minimum age at which persons can contract for mortgage loans. Therefore, anyone who is of legal age in a province and who is entitled to enter into contracts under provincial law will be able to enter into contracts with the Farm Credit Corporation in that province.

Provision is to be made for joint loans. Situations arise where it is reasonable to make joint loans between individual farmers, between an individual farmer and a qualified farming corporation, for example, which could be a family farm corporation, or between qualified farming corporations although the act does not specifically authorize the making of such loans under the particular circumstances. The amendments in this bill will permit the making of such loans, in reasonable circumstances, both under part II and part III of the act. One farmer may also allow part of his land to be mortgaged as additional security for a loan for another farmer. This is usually done, of course, in the case of a father who wants to put up security for his son. This provision does not limit his eligibility for a loan on his own behalf under part II of the act. The same provision will now apply with respect to loans made under part III.

May I now mention briefly the matter of the relationship between the eligibility of part III borrowers and the Farm Improvement Loans Act. Section 33 provides that if the indebtedness of a part III borrower exceeds 75 per cent of the appraised value of his land, he must obtain approval of the corporation before being eligible for a farm improvement loan. As I said, our experience has indicated that this requirement is unnecessary and it is therefore being withdrawn.

Those are the main features of the amendments to the Farm Credit Act, Mr. Speaker. There are other features, of course, and I am sure that they will come up during our discussion. One of them is the adjustment of interest rates on loans that have been made.

Mr. Benjamin: I will bet they are up.

Mr. Olson: Yes, that matter will come up. I do not know what the hon. member is trying to do, but I am not in an argumentative mood. I know that the farmers of Canada are anxiously waiting for this bill to pass and I will certainly not be party to any discussion tonight or at any other time which will delay its passage for one moment. I know hon. members opposite have said around the country that Bill C-5 is a good bill and that we should proceed with it as rapidly as possible. I fully concur. On the other hand, some hon. members have been saying around the country that the government is not really serious about getting this bill passed right away and that it is merely election bait.

Some hon. Members: Oh, oh!

Mr. Olson: I want to demonstrate my sincerity by saying that we should pass this bill as quickly as possible so that our farmers can benefit from its improvements. I return to the matter of the adjustment of interest rates. The Farm Credit Corporation, the Department of Finance and the Department of Agriculture have been seized of this problem for a long time. As hon. members know, interest rates charged by the Farm Credit Corporation have declined from a high of 8¾ per cent to 7 per cent. Some farmers have outstanding loans at higher than current rates; the interest rate paid is more than 7 per cent.

We have looked at many alternative ways of dealing with this problem. We have looked at the example set by CMHC in connection with house mortgages. That organization reviews mortgages every five years and as interest rates move up and down they are adjusted accordingly. That option may be open to us. Another option may be allowing farmers to refinance loans. We would not need to amend the act for that to be done. It could be done now. If we amend the act, we must be careful that we do not buy debts. In other words, allowances must be made for further development of a farm. This matter raises some problems.

Could I call it ten o'clock, Mr. Speaker? I will finish my remarks tomorrow.

Mr. Benjamin: We want to hear more.

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AFFAIRS—INTENTION OF UNITED STATES RESPECTING RENEWAL OF LEASE OF AIR FORCE BASE, GOOSE BAY

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, on April 26, I asked the following question of the Minister of National Defence (Mr. Benson):

• (2200)

Has the United States government indicated to Canada any intention of phasing down its base operation at Goose Bay or has it indicated its intention to maintain operations as at present?

This is basically the same question I have been directing at intervals for almost two years now to the Secretary of State for External Affairs (Mr. Sharp) and the Minister of National Defence. I receive the same cryptic answer each and every time—"Negotiations are continuing." On January 21, 1971, the Secretary of State for External Affairs said in this House, as recorded at page 2616 of *Hansard*:

It is not the intention of the U.S. government to declare Goose Bay surplus to U.S. requirements. They intend to retain the base."

On the same day, January 21, 1971, the same minister announced publicly that negotiations had commenced between Canada and the United States for renewal of the base lease which expires on December 5 this year. I have repeatedly questioned the minister during the past 13 months. The answer has always been, "Negotiations are continuing". Yet, Mr. Speaker, there was a statement made in Washington on March 15 of this year by Major General Joseph R. DeLuca, United States Air Force budget director, to the effect that the Goose Bay air force base is to be phased down.

It can be readily recognized that there has been uncertainty among the residents of this area ever since it first became known that the lease was being renegotiated. That uncertainty is even greater now because of the statement made in Washington and the uncertain future that faces these people. They have been suspended, or I could say paralyzed and they are very right in demanding some assurance from their government as to what the future holds for them.

There are approximately 8,000 people in the Goose Bay-Happy Valley area. Many have spent their lifetime there. The American government has no right to treat them this way, and the Canadian government has no right to allow the American government to do it. The base is the economic lifeline of this area. If the Americans are planning to withdraw, Canada should be ready to move in and follow up the recommendation made more than two years ago by the Standing Committee on Transport and Communications, namely, that its strategic position on the north Atlantic makes it an ideal location for a reopening of defence operations there.

I do not have time to repeat all the arguments which I presented to this House 14 months ago. I am just demanding that the government give some assurance to these people. If the spokesman for the government is planning to stand in his place and give an extended version of the previous answer, that negotiations are continuing, I suggest that he save his breath and go home now. I am not interested in international negotiations. At the same time, I do not expect the government to blurt out details of negotiations that have not been concluded. However, the people of Goose Bay and Happy Valley are interested in their future and the government should recognize the fact that they deserve an answer and an assurance in this regard.

The spokesman for the Secretary of State for External Affairs might say that his business is to be concerned with the intricacy of negotiations. The Minister of National Defence might say his business is the defence of our country. However, I would point out that hon. members opposite who form the government must have an interest in people. The future is suspended for 8,000 people in my constituency. No one is telling them anything. I hope I will receive more in the way of an answer than I have as a result of my probings in the past 14 months.

Mr. J.-R. Comtois (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, it is appreciated that the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle) has a natural concern for the future of operations at the base at Goose Bay because this base represents a very substantial element within his constituency. The agreement covering the leasing to the United States Air Force of certain facilities at Goose Bay was entered into on December 5, 1952. This agreement was for a term of 20 years and is due for renewal by December 5 this year.

The hon. member is aware, as we are, that the United States is exercising certain economies in its defence budget. In recent testimony before the United States Senate Committee on Appropriations, a military official informed the committee as follows:

The Strategic Air Command basing structure will be modified during fiscal year 1973. McConnel Air Force base, Kansas, is being transferred to SAC from Tactical Air Command. Glasgo Air Force base, Montana, will be reactivated as a contractor-operated installation assigned to SAC. Goose Air base, Nfld. is programmed to phase down.

In recent weeks the member for Grand Falls-White Bay-Labrador has addressed questions to both the Secretary of State for External Affairs (Mr. Sharp) and the Minister of National Defence (Mr. Benson) concerning the future of Goose Bay and the United States involvement there. He has been informed on each occasion, and as recently as April 26, as reported at page 1651 of *Hansard*, that negotiations are under way on the future of United States operations at the base and that when additional information is available it will be provided to him.

Like most governments today, the U.S. government is concerned about costs, and in this particular instance about the cost which the operation of the base at Goose Bay represents. They therefore are exploring with us the possibility of adjustments to the present arrangements which might reduce the costs. Service to service discussions are continuing but it will probably be a little time yet before the outcome is known.

HEALTH—REQUEST FOR STATEMENT ON PROPOSALS TO COMBAT ESCALATING CARE COSTS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, on April 20, 1972, I asked the Minister of National Health and Welfare (Mr. Munro) whether in view of the deep concern over the Minister's statement that we could not afford the bill for health care, and the statement that there was a scandalous waste in Canadian health services, he would make a statement to the House so that parliament might know what the real facts were.

That there has been a galloping increase in health care costs from 1963 to the present there is no argument. In 1959, the total health bill amounted to $1,290 million. Ten years later, in 1969, the total health bill was $4 billion. Medical services now cost about $200 per person per day, and it is estimated that in ten years time the cost will be more than $600 per person. If anything is needed to demonstrate the incompetence of governments to operate business successfully it is, surely, this admission of almost complete failure to operate efficiently in the health care field.

An attempt is now being made to operate on the basis of about half the number of general practitioners needed, making it impossible for general practitioners to under-

take health care in the preventative field in the way they might otherwise do, or in the very early stages of sickness so as to prevent the development of more serious diseases which lead to periods of hospitalization at $50 or $60 per bed per day, often in ultramodern surroundings which are quickly outdated. Many patients could be cared for in motel-type rooms on each side of a central corridor, without elevators and elaborate equipment. This would be efficient and would place the patient's comfort and safety first and at less cost, according to some experts in the field.

• (2210)

The minister states, and I agree with him, that it is difficult sometimes to get a doctor, and people are neglected and die needlessly. Who is responsible for this situation but the present government which imported about half the doctors needed in the last ten years? Who is responsible for the present government not living up to the principles laid down in the Hall royal commission report? Who brought in full medicare? It was not the provinces, it was the federal government and it must accept responsibility for the failure to provide the necessary medical manpower.

I have repeatedly asked the minister to operate medical schools during the summer semester. He states he is willing to co-operate with the provinces, and a couple of years ago he indicated this was almost ready to take place. What has happened since that time? Speaking in Napanee, in an attempt to answer a question regarding medical care he said his department had undertaken a number of studies and analyses of medical manpower. These studies show that there is need for an increase in number and an improvement in the status of general practitioners.

Furthermore, what about the 600 qualified students who were ready to enter the field of medicine last fall but were turned away from our universities? In that year we took over 1,000, many from other countries with a much lower standard than ours and with a need much worse than ours. The minister states that millions of Canadians, mostly the poor, cannot get a doctor and die needlessly. I ask the minister whether this was not the very reason the government brought in medicare, so that this 30 per cent of the population could get the treatment they needed. This indicates a complete failure to cope with the situation, and it is getting worse.

Approximately 95 per cent of the health dollar today is spent on curing diseases and only 5 per cent on preventing it. The minister states he wants to put the lid on health costs and cut the amount given to the provinces, yet he admits we are short of doctors, particularly general practitioners. He will not provide the funds necessary to obtain doctors. This is the key to the situation. Why does the minister not consider running medical schools the year around, since nearly all a doctor's education is now provided for by the state, paying the student doctor a living wage so these individuals would be out earlier, trained and earning a good income, paying income tax and paying back the loan, which is tax deductible, with the stipulation that the regional areas without doctors would be looked after first?

[Mr. Rynard.]

What has happened to the nurses being trained to take some of this 20 per cent load off the general practitioner? How many hundreds are being trained, and on what basis? Are they on a fee treatment basis or are they on salary? When do they become doctor's assistants, and what is the difference in the training and qualification between the nurse on her own and the doctor's assistant?

The government has indicated, and I disagree entirely, that doctors indiscriminately admit patients. I believe that the doctor considers conscientiously all the facts and uses his skills in deciding whether or not to hospitalize a patient. Every case is different, home surroundings are different, yet the bureaucrats behind desks want to run the doctor's conscience.

I originally asked the minister to make a statement to the House on what the needs are and the solutions to meet them. After all, we have had no clearcut statement in this regard. The very suggestion of a deterrent fee is obnoxious because it hits the poor the hardest. This was the reason for medicare. The public has a right to know what national health care is doing, how it is run and what the proposals are that will not cut the quality of care they received before medicare was brought in.

These proposals must improve the situation. How we can do this with health costs increasing by 13 per cent and the gross national product by 9 per cent? The critics hint at too many operations, too many expensive procedures. If this is true it should be drawn to the doctor's attention, or does the computerized world get out of touch?

In any event, I hope the minister will make a statement covering what is new and what he proposes to do in leadership and legislation to meet the present health crisis that he talks about.

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I doubt that in the few minutes allotted to me I can answer all the questions of the hon. member.

I strongly reject the charges which the member seems to lay against the government and I must tell him that the problem raised is not new.

The considerably increased costs of medical care concern not only the government but also the Minister of National Health and Welfare (Mr. Munro), especially so in recent years. This is why he suggested at the federal-provincial conference in November 1968 the establishment of a special committee which would be asked to study the matter.

The committee established in January 1969 has published a substantial report in three volumes. That report, submitted at the conference held by the ministers of health in December 1969, included in all 350 recommendations.

The hon. member should know that the prime responsibility for health services is a provincial one. He should therefore recognize that most of the recommendations made by this committee should be implemented by the provinces.

As for this government, it has introduced, at the last federal-provincial conference, a new financing arrange-

ment. We have realized that personal care, in Canada, is among the most costly in the world. So, this government has proposed to the provinces a new formula to enable them better to administer health services and to reduce costs considerably.

We believe that nothing should prevent us from providing more Canadians with the best care, and this, as soon as possible and at reduced cost. This government has not only suggested a more appropriate formula than that introduced a few years ago, but has even suggested that a special fund of $640 million be set up to finance the whole restructuring of the care distribution system, in accordance with the particular needs of each province.

[*English*]

GRAIN—ACTION ON COMPLAINT ABOUT GRAIN DOORS AT WESTERN DELIVERY POINTS

Mr. Bill Knight (Assiniboia): Mr. Speaker, I asked a question in the House of Commons today about the very pressing necessity in terms of the transportation of grain from western Canada to our customers overseas. The problem pertains to grain doors on boxcars and their inadequacy. I pointed out that this matter was brought to my attention by the Estlin, Gray, Riceton and Bechard area of my constituency.

The only answer I received from the minister was the comment that the problem exists in northern Saskatchewan as well. I suggest, with all due respect, that that answer is not good enough. I should like to read into the record a letter I received from the Gray pool committee and the others involved. This is a letter sent to Mr. R. G. Hodge, assistant superintendent, Canadian National Railways, Regina:

> We wish to bring to your attention the urgent necessity of grain doors at the four shipping points of Estlin, Gray, Riceton and Bechard.
>
> From the information that comes to us we have found out that it is not just a local situation.
>
> With the amount of grain there will be to move right away we feel that extraordinary measures should be taken to remedy the situation as soon as possible.
>
> This letter is written as a result of a joint pool committee meeting of the above points held April 27, 1972.
>
> Yours truly,
>
> Leroy Moats,
> Secretary, Gray Pool Committee.
>
> copies to:
> Hon. Otto Lang
> Mr. Bill Knight, M.P.
> Cy McDonald
> Mr. A. Milistone
> Allen Blakeney, Premier of Saskatchewan
>
> Leader Post, Regina.

• (2020)

This whole question has been on the minds of the agents of elevator companies for a long time, yet no answer is forthcoming. The question relates to the problem of a type of cardboard grain door presently being used. The minister in charge of the Wheat Board (Mr. Lang) suggested on previous occasions that he had met with private interests to discuss the problem of these grain doors. I wonder if he has taken the opportunity to meet representatives of the Saskatchewan Wheat Pool Association which represents most of the grain agents in the province of Saskatchewan. I doubt it.

With regard to this whole question of grain doors, it has been brought to my attention that a new type of grain door has been patented by an agent in the constituency of Fraser Valley West in the Burnaby region. This gentleman patented a door made out of plywood surrounded by rubber so that it can fit very easily into a boxcar. It is far more efficient than the door now being used.

Each time we direct a question to the minister in charge of the Wheat Board concerning transportation we are asked to direct the question to the Minister of Transport (Mr. Jamieson), particularly on days when he is not here. Then when we direct our questions to the Minister of Transport we are at times referred back to the minister in charge of the Wheat Board. The all important question is: Who is in charge of transport? Frequently the answers we receive are that the matter is under active consideration or that the minister is consulting those involved. The buck is passed continually between the two cabinet ministers. The question is whether there is a minister in the House who happens to be a minister of action.

In this whole area of transportation I have asked questions of the Minister of Transport regarding the leasing of boxcars from the United States for the movement of grain. He told me that he had been in contact with the CNR and will be in contact with the CPR in future. I have asked him questions regarding the priority of the railroads in terms of the $5 million allocated to buy flatcars at a time when there was a hue and cry in the west to buy hopper cars for the movement of grain.

We are not getting answers to these questions from the representatives of government departments concerned. I hope that this evening we will receive a direct and comprehensive answer to this very important problem of grain doors for boxcars, for the purpose of improving the shipment of grain to our markets. It may seem to those who are not familiar with the movement of grain that this is not an important matter, but to the farmers who are moving their grain it is an extremely important question to which I hope we will receive tonight a direct and comprehensive answer—a better answer than we received this afternoon.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, following the question which the hon. member for Assiniboia (Mr. Knight) raised in the House this afternoon, the minister responsible for the Canadian Wheat Board obtained the following information from the two railway companies regarding the current position of grain doors in the province of Saskatchewan. Canadian National Railways informed the minister that except for those lines west of North Battleford, west of Kindersley and west of Biggar, all railway grain stations in Saskatchewan are supplied with wooden grain doors. Occasionally the supply of wooden grain doors is depleted at individual stations, and in this event paper doors are substituted until such time as the supply of wooden doors is replenished.

On the Canadian Pacific Railway, problems have arisen in the past due to deterioration of the standard wooden door posts because of the repeated nailing of grain doors to the cars. To alleviate this situation Canadian Pacific began a process of replacing the wooden posts with nailable steel posts. In 1970, 2,900 cars were so converted. A further 3,272 cars were converted during 1971, and in the current yer 2,828 more are scheduled for conversion. Therefore at the end of 1972, 9,000 cars will have been converted. The nailable steel posts have been extremely successful and have brought commendation from the grain trade. In addition, a further 3,500 cars have been modified by the application of plywood at the doorways and this has proved very successful.

In December last these upgraded cars constituted more than one-third of all Canadian Pacific cars unloaded at Thunder Bay and Vancouver and this porportion is expected to increase as more modified cars enter grain service. I hope that the information given in this answer will be to the satisfaction of the hon. member.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Wednesday, May 3, 1972

The House met at 2 p.m.

PRIVILEGE

MR. NYSTROM—ATTENDANCE OF MINISTER OF REGIONAL ECONOMIC EXPANSION AND DEPUTY BEFORE STANDING COMMITTEE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to raise a question of privilege concerning the Standing Committee on Regional Development. The facts are as follows: Last Thursday the Minister of Regional Economic Expansion was questioned in the standing committee on some very important matters concerning the estimates of his department. As the minister was unable to provide the answers, he undertook to give them at an early meeting of the committee. The chairman of the committee proposed May 5 as the date for the minister's appearance. Last Monday the steering committee of the Standing Committee on Regional Development was informed that the minister could not be available until May 18 and that his deputy would appear as a witness on May 4. Yesterday the members of the committee were informed in writing that the latter meeting had been cancelled because the deputy minister could not attend.

• (1410)

It is clear that under the circumstances the Standing Committee on Regional Development is prevented from dealing properly with the task assigned to it by the House, namely, to examine the proposed expenditures of almost half a billion dollars, because both the minister and his deputy have declared themselves unavailable as witnesses at a reasonably early time. The matter is extremely urgent as under Standing Order 58(14) the standing committee is required to consider and report these estimates back to the House not later than May 31.

My formal motion, seconded by the hon. member for Oshawa-Whitby (Mr. Broadbent) will be:

> That the Standing Committee on Privileges and Elections inquire forthwith and report upon the reluctance of the Minister of Regional Economic Expansion and his deputy to appear before the Standing Committee on Regional Economic Expansion and that the report of the committee with its recommendations thereon be made to the House within the next five days.

Mr. Guay (St. Boniface): On a point of privilege—

Mr. Speaker: Order, please. We can have only one question of privilege before the House at one time. The hon. member for St. Boniface will recognize that at the moment there is a matter that has been raised for the consideration of the House by way of a question of privilege.

The hon. member for Yorkton-Melville, as required by the provisions of Standing Order 17, has given the Chair the required notice, which has given me an opportunity to study, if only briefly, the precedents in relation to the applications of this Standing Order. The hon. member and the House will appreciate that the Chair is required to make a ruling on whether there is a prima facie case of privilege, at which point the motion could be put, and at which time there could be a debate based on the motion of which the hon. member has given notice.

I should like to refer the House and the hon. member for Yorkton-Melville to a ruling by the Chair reported in the official report of debates of the House for Monday, March 15, 1971, when a question and a motion much similar to those now raised were then proposed for consideration by the hon. member for Brandon-Souris. The ruling of the Chair at that time read in part as follows:

> The hon. member has raised by way of a question of privilege the fact that a minister was not in attendance in a committee of the House to answer questions which the hon. member wanted to submit to him. The hon. member suggested that the difficulty he has encountered is the result of the changes in the rules of the House of Commons. I respectfully suggest to him that this is hardly a matter which can be raised by way of a question of privilege.
>
> The hon. member may feel aggrieved in the sense that he did not have an opportunity to obtain the information he was seeking, but I would then think that the matter becomes a question of substance, and the only way in which a debate may be initiated in the House is by way of a substantive motion. In fact, the motion proposed by the hon. member is essentially a substantive motion and in the circumstances it should not be raised as a question of privilege.

I would also like to refer the hon. member to Standing Order 65(11) which indicates that the chairman of a standing or special committee shall maintain order in the committee, deciding all such questions subject to an appeal to the committee. That, of course, is not an appeal to the House but to the committee.

I think it is long-established practice that difficulties in discussions and debates in a committee should be settled by the committee itself, and that if there are difficulties which are to be considered by the House this should be done at the time the report of the committee is before the House for debate and consideration by the members of the House.

In addition to these points there is in my mind a question of the propriety and practicality of having the proceedings of one committee investigated by another committee of the House. I can foresee all sorts of difficulties if this were allowed and became a practice of the House.

In view of the precedents, the citation to which I have referred and the Standing Orders, I must come to the conclusion that the matter raised by the hon. member is essentially a substantive motion and that it should not be debated in the House by way of a question of privilege. My ruling is that there is no prima facie case of privilege and the hon. member's motion cannot be put at this time.

Canadian Broadcasting Corporation

Mr. Guay (St. Boniface): On a question of privilege, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member rises on a question of privilege.

Mr. Guay (St. Boniface): Mr. Speaker, I listened to what you said very carefully, but an implication of neglect of duty on my part as chairman of the committee has been raised and in view of that I believe I have the right to say something.

Mr. Speaker: Order, please. The hon. member claims that he has a question of privilege. It cannot, of course, be the same question on which there has already been a ruling. If the hon. member claims he has been aggrieved he might indicate briefly what the question of privilege is and the Chair will make a ruling. The hon. member should indicate as succinctly as possible what the question of privilege might be.

Mr. Guay (St. Boniface): Mr. Speaker, the Standing Committee on Regional Development of which I am chairman is very progressive and has been doing a tremendous job—

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Hees: Question.

Mr. Guay (St. Boniface): First of all, I should like to say that we had the minister there twice and we had the deputy minister—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member should resume his seat. The hon. member is now debating the issue which perhaps shows the validity of my suggestion that this was a matter of debate. The hon. member for Yorkton-Melville wanted to bring the matter before the House under the guise of a question of privilege. I thought that this was a substantive motion which would give rise to a debate of substance. The approach taken by the hon. member indicates that I was quite right. I have already ruled that this is not a question of privilege.

ROUTINE PROCEEDINGS

TRANSPORT AND COMMUNICATIONS

Second report of Standing Committee on Transport and Communications—Mr. Turner (London East).

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

[Mr. Speaker.]

CANADIAN BROADCASTING CORPORATION

TELEVISING OF NATIONAL HOCKEY LEAGUE FINAL SERIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I rise at this time to ask for unanimous consent—

Some hon. Members: No.

Mr. MacInnis: —to move a motion under Standing Order 43 concerning a matter of great interest to all members of the House and especially to the hon. member for Churchill (Mr. Simpson) who raised the question yesterday. In view of the fact that many Canadians are being deprived of the opportunity of seeing the National Hockey League final series and since the CBC during the regular season switched to games from the United States, I move, seconded by the hon. member for Meadow Lake (Mr. Cadieu):

That this House seek the co-operation of the CBC and responsible agencies in providing coverage in those areas presently denied.

Some hon. Members: Hear, hear!

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Cape Breton-East Richmond. This motion is proposed to the House under the terms of Standing Order 43 and therefore requires unanimous consent. The Chair will inquire whether there is unanimity.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The hon. member will recognize that there is not unanimous consent and so the motion cannot be put.

An hon. Member: Who said no?

An hon. Member: Joe Guay said no.

An hon. Member: He always says no.

An hon. Member: Who said no?

An hon. Member: Joe said no.

DISPUTE WITH NABET—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I ask the unanimous consent of the House under Standing Order 43 to move a motion on a matter of urgent and pressing importance.

My motion is somewhat broader in scope than merely the inability of certain Canadian television viewers to see this year's Stanley Cup playoff series. It concerns the cost to the public purse of the prolonged labour difficulties between NABET and the Canadian Broadcasting Corporation, estimated now to be greater than the price tag of a settlement based on NABET's initial demands. I move,

seconded by the hon. member for Broadview (Mr. Gilbert):

That the House call on the CBC to abandon its indifference and enter forthwith into genuine negotiations with NABET, so that the current dispute can be settled without further delay or cost to the economy.

Some hon. Members: Hear, hear!

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

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

An hon. Member: You are just sore, Joe.

Mr. Hees: Watch your manners, Joe.

* * *

• (1420)

AGRICULTURE

FERTILIZER PRICES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I ask leave under Standing Order 43 to present a motion of urgent and pressing necessity which arises out of the unfair treatment of farmers in the purchase of fertilizer and the evidence of the existence of a combine among Canadian fertilizer companies. I therefore move, seconded by the hon. member for Regina-Lake Centre (Mr. Benjamin):

That the question of the cost of fertilizer manufactured in Canada to farmers in the prairie region of Canada, more especially in Saskatchewan and Manitoba, be referred to the Standing Committee on Agriculture for the purpose of calling witnesses and investigating comparative prices of Canadian manufactured fertilizer in the states of Montana and North Dakota compared to Saskatchewan and Manitoba and to determine if unfair trade practices or price fixing are being practised by Canadian fertilizer companies.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Saskatoon-Biggar. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the hon. member's motion cannot be submitted to the House at this time.

POLLUTION

POSSIBLE OIL SPILLS ON WEST COAST—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I wish to move a motion under Standing Order 43. I would move, seconded by the hon. member for Kootenay West (Mr. Harding):

That the subject matter of the report made yesterday by a team of investigators to the Department of the Environment which states that major oil spills can be expected if giant tankers use the west coast route to carry Alaskan oil to Cherry Point refinery in Washington State, which is 12 miles from Surrey-White Rock, and which calls for international action to manage traffic in the hazardous waters near that point be referred to the Standing Committee on External Affairs and National Defence for the purpose of immediate review and definite action by Canada to end this threat to the ecology and well-being of our western shores.

Mr. Speaker: Is there unanimous consent for the motion proposed by the hon. member for Surrey-White Rock?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. In the circumstances the hon. member's proposed motion cannot be put to the House.

* * *

NATIONAL PARKS ACT

AMENDMENTS RESPECTING ADDITION OF LANDS, AGREEMENTS WITH PROVINCES ON USE, OFFENCES AND PUNISHMENT, DESCRIPTIONS

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-200, to amend the National Parks Act.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

STEPS TAKEN TO ELIMINATE INFLAMMABLE CLOTHING FROM OUR MARKETS

Question No. 81—**Mr. Rynard:**

1. Are any steps being taken by the government to eliminate inflammable clothing from our markets?

2. How many cases of burns, by degree, were there in Canada in 1971 directly attributable to the combustion of inflammable clothing?

3. What was the total cost of hospitalization and other care of sufferers from such burns?

4. What safety standards are being proposed to meet this problem and how will they be enforced?

Questions

Mr. D. R. Tolmie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, in view of the lengthy answer, I wonder if hon. members will agree to have it recorded in *Hansard.*

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's note: The abovementioned answer reads as follows:*]

1. The Department of Consumer and Corporate Affairs has taken action under the Hazardous Products Act with respect to clothing flammability as follows: (a) Effective November 2, 1971, it became an offence to sell any consumer article of any kind containing a dangerously flammable textile. A burning test procedure is used to classify textiles of this category. Briefly, a 3.5 second burning time limit has been established for a 5-inch length of material under prescribed test conditions. (b) Effective November 2, 1971, a more severe regulation was established for children's nightwear. In this instance the burning time using the same test procedure is set at a minimum of seven seconds.

2. Statistical information on the number of burn cases and their degrees attributable to specific causes such as textiles is not available in Canada at present. Accident statistics have in large measure been medically oriented. In order to make most effective use of the Hazardous Products Act, information on events leading to injuries is required along with details of offending agents. To correct this situation the Department has in recent months initiated discussions with provincial authorities and hospitals for the purpose of setting up a reporting system which will permit acquisition of such information.

3. For reasons stated in the reply to part 2 of the question, it has not been possible to obtain this information.

4. In addition to the regulations with respect to clothing listed under Part I of this question, regulations have been issued under the Hazardous Products Act which establish flammability limits for bedding and toys. Work is in progress to develop flammability regulations for a wider range of clothing, carpets and mattresses, and to continue study of the use of fire retardant treatment of textiles.

SCIENCE COUNCIL OF CANADA—DUTIES OF MR. HUNKA

Question No. 103—**Mr. Fortin:**

1. What are the duties of Mr. Hunka of the Science Council of Canada?

2. What is his salary?

3. Is he bilingual?

4. Has the government received any written or verbal reports regarding the discriminatory attitude of that official with respect to certain French-speaking civil servants?

5. What was Mr. Hunka's salary for each of the past five years and were his salary increases in accordance with those granted to equivalent positions?

Hon. Alastair Gillespie (Minister of State for Science and Technology): In so far as the Science Council is concerned, our replies are as follows: 1. Chief of Administration.

2. In the range $18,400-$22,100 per annum.

3. No.

4. None. On the contrary, he has paid special heed to the government's policy on bilingualism and has, in large part, been responsible for the fact that the Science Council has a higher than average percentage of bilingual persons on its staff.

5. As there are no equivalent positions on the staff of the Science Council, this question is considered as 'not applicable'.

FUNDS FOR DRUG ABUSE CAMPAIGN AND ANTI-SMOKING CAMPAIGN

Question No. 342—**Mr. Rynard:**

1. Was the drug abuse campaign fund reduced for the fiscal year 1972-73 and, if so, for what reason?

2. Were the Department of National Health and Welfare anti-smoking program funds doubled for the fiscal year 1972-73 and, if so, for what reason?

3. What was the breakdown in spending for (a) the drug abuse program (b) the anti-smoking campaign for the fiscal year 1971-72?

Hon. John C. Munro (Minister of National Health and Welfare): 1. No. Funds for 1971/72 totalled $4,843,000. (This includes $520,000 Summer Students Projects). Funds approved for the Non-Medical Use of Drugs Directorate for 1972/73 total $5,330,000. (This includes $632,000 Summer Students Projects).

2. Yes. Funds for 1971/72 totalled $173,000. Funds approved for 1972/73 total $386,000. This increase of more than 100 per cent will allow for expanded research and education activities.

3. Final expenditures are not yet available for 1971/72.

COST OF REFIT OF HMCS *BONAVENTURE*

Question No. 384—**Mr. MacRae:**

What was the estimated cost of the refit of HMCS *Bonaventure* before its disposal?

Hon. E. J. Benson (Minister of National Defence): This information may be found in the Minutes of Proceedings and Evidence of the Standing Committee on Public Accounts of the First Session of the Twenty-eighth Parliament, including the Third Report of the said Committee which appeared in *Votes and Proceedings* No. 122, May 13, 1970.

CITIZENSHIP ASSISTANCE FOR PROSPECTIVE CITIZENS THROUGH POST OFFICES

Question No. 391—**Mr. Robinson:**

1. Will the government consider supplying local post offices with applications for citizenship so that prospective citizens will not find it necessary to take a day off work to apply?

2. Will the government consider providing staff assistance through the post office to help applicants for citizenship to complete their application forms?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. The government has now under consideration a plan to make citizenship information and application forms more readi-

ly available to those who require them. This will not however eliminate the requirement for an applicant to make a personal appearance, to attest the application, and to produce supporting documentation.

2. It is considered impractical on economic grounds to make Citizenship Registration staff available in post offices or to give post office staff the training necessary to qualify them for this task.

LOCAL INITIATIVES PROGRAM—ADVERTISING SERVICES

Question No. 397—**Mr. Godin:**

Has the Government retained the services of the Montreal actor, Jean-Pierre Masson, to record an advertisement intended to encourage citizens to use the services of the Department of Manpower and Immigration within the Local Initiatives Program and, if so (a) how many such recordings have been made by this actor and at what cost (b) for how many days and on how many radio stations have these advertisements been broadcast?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Les Productions Jean-Pierre Masson Inc. was retained to record an advertisement intended to encourage the citizens to use the services of the Department of Manpower and Immigration within the Local Initiatives Program. (a) to produce one message on tape at a total cost of $870.00 for professional fees and production costs, and (b) the tape was played on 32 Quebec radio stations for 9 days at a minimum four times per day.

[*English*]

ADMISSION OF MR. ERVIN EDMUND WATTS

Question No. 418—**Mr. Hales:**

1. Did Mr. Ervin Edmund Watts, a native of North Carolina, USA enter Canada and, if so, at what port of entry was he examined?

2. Did Mr. Watts serve time in any American prison before his entry into Canada and, if so, for what crime was he convicted?

3. Are people with criminal records allowed to enter Canada as landed immigrants?

4. Was Mr. Watts convicted and sentenced in Canada and, if so (a) for what crime (b) where was his court case held?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): 1, 2 and 4. The Department of Manpower and Immigration has no record of a person by the name of Ervin Edmund Watts.

3. Section 5 of the Immigration Act prohibits the admission of an individual who has been convicted of or admits to having committed a crime involving moral turpitude. However, the Immigration Act further provides that relief from this prohibition may be granted by the Governor in Council under certain circumstances where an individual is considered to have become successfully rehabilitated.

TRANSPORTATION AND ASSISTANCE TO IMMIGRANTS TO CANADA

Question No. 423—**Mr. Robinson:**

Did Canada subsidize travel fares and other amenities to bring immigrants to Canada in the years 1960 to 1971 and, if so, by how much in each year?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Except in the case of special refugee movements, the Government does not subsidize the costs of transoceanic travel to Canada on behalf of immigrants. However, provision is made in the budget of the Department of Manpower and Immigration for funds to assist in immigrant establishment in Canada. This includes such items as emergency food and accommodation, hospital or medical care where the newcomer is indigent and not eligible under public or private insurance programs and in unusual circumstances inland transportation from port of arrival to final destination. The table below reflects the total annual expenditures for these items during the past twelve fiscal years. The decrease in expenditures in 1965-66 was occasioned by the assumption by the Department of National Health and Welfare of responsibility for family assistance payments to immigrants which are made in lieu of family allowances. The increase in the years 1968-69 and 1969-70 reflects the costs incurred by the government in the Czechoslovakian Refugee Movement to Canada.

Fiscal Year	Total Expenditures
1959-60	1,673,639
1960-61	1,769,371
1961-62	1,180,790
1962-63	1,570,728
1963-64	1,878,723
1964-65	2,579,594
1965-66	672,747
1966-67	1,413,920
1967-68	2,863,530
1968-69	10,468,127
1969-70	4,009,581
1970-71	1,911,000

AGE REGULATIONS COVERING IMMIGRANTS TO CANADA

Question No. 424—**Mr. Robinson:**

Is there a difference, according to age, in the regulations for allowing immigrants to join their families already in Canada, such that the point system is not used for applicants over 60 years of age and, if so, for what reasons?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Parents and grandparents, 60 years of age and older, of citizens and permanent residents of Canada are not subject to the assessment criteria or point system set out in the Immigration Regulations. It is considered that the majority of such relatives are not likely to be intending to enter the permanent labour force and hence it is not necessary to assess them on their chances for successful establishment in this respect.

PEI—FEDERAL PAYMENTS FOR POST-SECONDARY EDUCATION 1967-71

Question No. 431—**Mr. Macquarrie:**

1. What were the amounts of the payments made by the federal government to Prince Edward Island for post-secondary education in the years 1967 to 1971?

2. What are the estimated payments to Prince Edward Island for post-secondary education for the years 1972, 1973 and 1974?

Questions

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. 1967-68, $1,635,000; 1968-69, $2,063,000; 1969-70, $2,521,000; 1970-71, $2,995,000.

2. 1971-72, $3,408,000; 1972-73, $3,800,000; 1973-74, $4,250,000.

[*English*]

ALLOCATION OF FUNDS UNDER CANADA MANPOWER TRAINING ON-THE-JOB PROGRAM

Question No. 441—**Mr. Orlikow:**

1. How much of the new $20 million for on-the-job-training programs announced by the Minister of Finance in the House on October 14, 1971, has been allocated?

2. What is the allocation, by province, of money under this program?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): 1. The initial $20 million provided for the Canada Manpower Training on-the-Job Program has been increased to $50 million, all of which has been committed. Funds were initially allocated by region in accordance with the distribution of unemployment. Subsequent adjustments to the allocations were made to take account of varying employer response to the program.

2. Total amounts committed in approved proposals, by province and territory are as follows:

Province or Territory	Millions $
Newfoundland	0.92
Nova Scotia	2.63
Prince Edward Island	1.36
New Brunswick	1.54
Quebec	16.85
Ontario	13.50
Manitoba	2.74
Saskatchewan	2.33
Alberta	3.06
Northwest Territories	0.31
British Columbia	4.72
Yukon Territory	0.04
Total	50.00

NEWFOUNDLAND—SPECIAL EMPLOYMENT PLAN

Question No. 477—**Mr. Peddle:**

1. How many man-months of work were provided in Newfoundland under the Special Employment Plan this winter?

2. What amount of money was spent in Newfoundland in this program?

3. What was the nature of the projects and where were they located?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): 1. In view of the fact that the Special Employment Plan will not end until May 31, 1972 final and accurate figures will not be available until later. The estimated man-months employment figure from November 1, 1971 to May 31, 1972 is 32,870.

[Mr. Macquarrie.]

2. The estimated federal cost from November 1, 1971 to May 31, 1972 is $19,875,000. This figure does not include funds from non-government sources.

3. Detailed data on the location of each project is not available. The greatest number of projects were in the nature of road repair; water, sewer, hydro services; forest inventory and thinning; construction of recreational facilities; improvements and renovations of various existing services; park conservation and development programs; beach protection work; pollution control; building of new community fish holding units; health services; first aid training; and various labour and support programs.

*CONTRACT FOR THE SUPPLY OF EGGS TO CFB GAGETOWN, N.B.

Question No. 494—**Mr. Fairweather:**

1. Is there a contract for the supply of eggs to CFB Gagetown, New Brunswick and, if so, is the supplier complying with the regulations of the New Brunswick Egg Marketing Board?

2. In future tender applications, will it be a condition of the contract that suppliers shall comply with rules and regulations of respective provincial marketing boards?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, in answer to part one, a contract was placed with Swift Canadian Co. Ltd., of Moncton, for delivery of eggs to Canadian Forces Base, Gagetown, for the period April 1, 1972 to April 30, 1972. We understand that the supplier may not have complied with all of the regulations of the New Brunswick Egg Marketing Board.

In answer to part two, although we believe that all our suppliers should adhere to the regulations of provincial marketing boards, it is of course not the responsibility of a federal government department to administer the various rules and regulations of provincial marketing boards.

CANADIAN ARMED FORCES RETIRED PERSONNEL—TAXATION ON PENSIONS

Question No. 501—**Mr. Godin:**

1. How many former members of the Canadian Armed Forces on pension reside in (a) Ireland (b) the United States of America (c) Australia (d) New Zealand (e) Findland (f) Sweden (g) Denmark (h) Germany (i) Netherlands (j) Trinidad-Tobago (k) the United Kingdom?

2. Are these allowances taxable and, if so (a) what was the percentage of such taxes paid for the years 1970 and 1971 (b) what will be the percentage for 1972 to 1980?

[*Translation*]

Hon. E. J. Benson (Minister of National Defence): 1. (a) 19; (b) 846; (c) 27; (d) 23; (e) none; (f) none; (g) one; (h) 74; (i) 19; (j) one; (k) 462.

2. These allowances are subject to Canadian Income Tax if the pensioner is not a permanent resident of the country he is living in. (a) This information is not readily available as it would entail the perusal of each pensioner's file, and the necessary expert staff to undertake the large amount of work which would be required to gather this information is not available. (b) In respect to the new tax legislation effective January 1972, annuitants who reside outside Canada will be subject to a 15 per cent withholding tax after 1 January, 1972. At the end of 1975, this will

be increased to 25 per cent unless reduced by treaty. At the present time, Canada has Reciprocal Income Tax Agreements with the following countries where non-residents are not subject to Canadian withholding taxes on annuities—Ireland, United States of America, Australia, New Zealand, Finland, Sweden, Denmark, Netherlands, Trinidad-Tobago, United Kingdom and Norway.

[*English*]

NATIONAL DEFENCE—MEAFORD TANK RANGE

Question No. 507—**Mr. Noble:**

1. Has the Department of National Defence given any consideration in respect of cleaning up explosives on the Meaford Tank Range?

2. Is the government aware of any significant trespassing taking place in what is alleged to be the most dangerous area on the Range and, if so, what steps are being taken to counteract this situation?

3. Has the Government of the Province of Ontario signified any interest or made any representation to the federal government in respect of securing the Range property?

4. Has the Department of National Defence offered the Meaford Tank Range to any other department or to the provincial government?

Hon. E. J. Benson (Minister of National Defence): 1. Yes. See Hansard dated 18 November, 1970, page 1278, and Hansard dated 13 December, 1971, pages 10392-3.

2. No. The Department of National Defence is not aware of any significant trespassing at Meaford Tank Range either in the heavily contaminated impact area or in the remainder of the training area. The training area will be more heavily utilized during the summer months and as a result, the military police patrols from CFB Borden will be increased in frequency. Consideration is being given to improving the current standard of boundary fence at the range.

3. Yes, as a possible site for a park.

4. Yes. See Hansard dated 30 June, 1971, page 7511. In addition the Department of Environment was requested to examine the possibility of using the Range property as a wild-life and bird sanctuary.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

ORGANIZATION OF TRIP OF SIOUX VALLEY DANCERS TO YUGOSLAVIA, 1971

Question No. 49—**Mr. Macquarrie:**

1. Did the Department of the Secretary of State for External Affairs, the Department of the Secretary of State, or the Department of Indian Affairs and Northern Development participate in any way in the organization or funding of the trip of the Sioux Valley Dancers of the Sioux Valley Reserve near Brandon to Yugoslavia last summer?

2. Were any representations made by this group to the Department of External Affairs as to the financial arrangements provided by the Yougoslavian Government and if so, what action was taken by the Department of External Affairs?

3. Were any representations made by the Department of External Affairs to the Yugoslavian Government regarding the financial arrangements made by the Yugoslavian Government and, if so, what was the response of the Yugoslavian Government?

Return tabled.

CLOSURE OF CANADIAN ARMED FORCES BASES

Question No. 228—**Mr. Stewart (Marquette):**

1. Since 1965, how many Canadian Forces Bases have been closed and where was each located?

2. In each case (a) how many Canadian Armed Forces personnel were transferred out of the area (b) what was the number of civilian personnel laid off for whom alternative satisfactory employment was not found (c) what is the present status of the land and buildings and how much money has been recovered by the federal government as a result of their disposal?

3. Does the government consider that the base consolidation and closing program has caused economic and other hardships to the areas concerned and, if so, for what reason?

Return tabled.

LOCAL INITIATIVE PROGRAM

Question No. 379—**Mr. Beaudoin:**

1. Under the Local Initiatives Program, what was the total amount granted to each province and how many jobs were to be created in each case?

2. Under this program, what total amount was granted to each constituency in the Province of Quebec and how many jobs were to be created in each case?

3. What are the names of the organizations that presented projects under this program in the constituency of Richmond?

4. What was the title of each project from the constituency of Richmond?

5. Were some projects rejected and, if so (a) which ones (b) how many jobs would have been created by each (c) what amount of money was requested in each case?

6. What was the total amount granted under the Local Initiatives Program in the constituency of Richmond?

Return tabled.

DEPARTMENT OF MANPOWER AND IMMIGRATION—PUBLICITY CONTRACTS

Question No. 452—**Mr. Nystrom:**

1. Were any contracts awarded by the Department of Manpower and Immigration for publicity and/or information in the fiscal year 1970-71 and, if so (a) what were the names and addresses of firms which received such contracts (b) what was the amount of each such contract (c) what was the specific purpose of each such contract?

2. Do the main and supplementary estimates of the Department for the fiscal year 1971-72 provide an amount to be spent on publicity and/or information and, if so (a) what amount is provided (b) what amounts have been encumbered or spent to date (c) what are the names and addresses of the private firms which have entered into such contracts (d) what is the amount of money involved in each such contract (e) what is the specific purpose of each such contract?

Return tabled.

Mr. Diefenbaker: Mr. Speaker, starred questions are placed on the order paper so as to secure an early answer. On March 28 I asked the following starred question:

1. How many Red Ensigns were in the possession of the Department of Public Works on the date the present flag came into existence?

2. How many since have been disposed of to organizations or private individuals?

3. How many are still on hand?

There can be no excuse for the government not to answer that question except that the government would be embarrassed by the answer. That is the only reason. I raise the strongest objection to this kind of treatment of the House whereby starred questions are relegated to a secondary position and members are unable to get answers.

Some hon. Members: Hear, hear!

Mr. Jerome: Mr. Speaker, I have a note of the number. I can say to the House that at this point in time we are ahead of last year's schedule as far as answering questions of this kind is concerned.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Mr. Speaker, that just shows how inefficient this government is and how it covers up by endeavouring to say it is better this year than it was last year.

Some hon. Members: Hear, hear!

MOTION TO ADJOURN UNDER S.O. 26

TRANSPORT

SUPREME COURT JUDGMENT ENABLING CARRIAGE OF COAL BY RAIL FROM EAST KOOTENAY REGION TO ROBERTS BANK, B.C., BY UNITED STATES ROUTE

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I ask leave, seconded by the hon. member for Kootenay West (Mr. Harding), to make a motion for the adjournment of the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the decision of the Supreme Court of Canada, by five to four, that the Canadian Transport Commission erred in its judgment when considering the application of the Kootenay and Elk Railway Company and Burlington Northern Inc. to build a railway line from the province of British Columbia to the state of Montana to haul coal from the East Kootenays to Roberts Bank, B.C. via a United States route, which could result in the loss of hundreds of jobs in Canada both on the railway and in other related services, thus making necessary the introduction of amendments to the Railway Act so that the Canadian Transport Commission can make decisions based on public interest or any other adequate reasons.

Mr. Speaker: The hon. member has given the Chair the required notice. As the hon. member and all hon. members know, the Standing Order requires members to give notice, which is a statement of the matter about which adjournment of the House is sought, without argument and unaccompanied. I think these statements should be as short as possible. This statement is perhaps borderline, and certainly I do not object to it basically.

[Mr. Diefenbaker.]

I have looked at the matter as closely as possible and with all the sympathy possible. However, I find it difficult to conceive that the Standing Order is given to the House for the purpose of adjournments to consider questions of this type. I really have to suggest to the hon. member that this is not the type of situation which is envisaged by the Standing Order. I would think it is the type of question about which a motion might be made under Standing Order 43, or about which questions might be asked which might be considered further during the adjournment proceedings, or about which bill might be introduced for debate when the appropriate time comes. But I respectfully suggest to the hon. member and to the House that the motion is not in order in that the situation referred to, which is, of course, important and of national interest, is not the kind of situation which is contemplated by the Standing Order. In the circumstances, I cannot see my way clear to make a ruling that the Standing Order applies so that a motion for the adjournment of the House could be put at this time.

• (1430)

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 43 is acceptable to the government subject to the usual reservations concerning confidential documents.

Mr. Speaker: Is it the pleasure of the House that notice of motion No. 43 be deemed to have been adopted?

Some hon. Members: Agreed.

COPY OF CORRESPONDENCE BETWEEN JOHN LAMMERS AND MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Motion No. 43—**Mr. Orlikow:**

That an Order of the House do issue for a copy of all correspondence between Mr. John Lammers of Yukon Wilderness Limited and the Minister of Indian Affairs and Northern Development and/or any officials in that Department.

Motion agreed to.

Mr. Jerome: Would Your Honour be so kind as to call notices of motions Nos. 9 and 45?

COPY OF STUDY BY REGINALD J. ROY, MONTREAL, REGARDING "ANALYSIS OF OPERATIONAL REPORTS AND COURSES FOR THE OCCUPATIONAL TRAINING OF ADULTS PROGRAM"

Motion No. 9—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by Reginald J. Roy, Montreal, undertaken for the Department of Manpower and Immigration regarding the "Analysis of operational reports and courses for the Occupational Training of Adults Program".

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the report by Mr. Reginald Roy referred to in the motion was one of a series of ongoing studies concerning the contractual arrangements between the provinces and the department under the occupational training of adults program. It was actually one of several inputs related to the ongoing activities of the department rather than a formal document which could be tabled. Since there is no report to table, I would ask the hon. member to withdraw his motion.

Mr. Orlikow: Agreed.

Mr. Speaker: Motion dropped.

Order discharged and motion withdrawn.

LETTERS RECEIVED BY POSTMASTER GENERAL REGARDING POSTAL SERVICE

Motion No. 45—**Mr. Dinsdale:**

That an Order of the House do issue for copies of all letters received by the Postmaster General or any other member of the government since January 1, 1971, complaining about postal service and the replies thereto.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is physically impossible to gather all this correspondence in one central location as the correspondence is spread throughout the country. The cost would be enormous. Under the circumstances, I would ask the hon. member to withdraw his motion.

Mr. Dinsdale: I can appreciate the number of complaints made against the Post Office Department. Perhaps we could be given a sample so that we might know what the problem is.

Some hon. Members: Oh, oh!

Mr. Jerome: Transfer for debate.

Mr. Speaker: Transferred for debate.

Mr. Speaker: Shall the remaining motions stand?

Some hon. Members: Agreed.

Mr. Howard (Skeena): Mr. Speaker, there are outstanding in my name five motions for papers, all relating to the same subject matter. It is true they were only submitted on April 21 but there was a delay in presenting them because of the desire of the Pacific North Coast Co-operative Association whose members were awaiting a meeting with the Minister of Fisheries, a meeting which has not been held yet though he promised it would take place. The information is desired by the Pacific North Coast Co-operative Association in order that the association might prepare itself for the opportunity to appear before the Committee on Fisheries and Forestry before the end of May prior to the conclusion of the committee's examination of the estimates. In view of the urgency attached to this matter I wonder whether the parliamentary secretary would look at these motions in an attempt to have this information provided on the next day they come up for consideration.

Mr. Jerome: I do not think the hon. member gave me the numbers of the notices of motions.

Mr. Howard (Skeena): They are Nos. 52, 53, 54, 55 and 56.

Mr. Douglas: May I draw to the attention of the parliamentary secretary motion No. 42 which was placed on the order paper on March 15? It calls for the tabling of only a single document, the agreement between Panarctic Oils Limited and a United States consortium. I see no reason why it has taken such a great length of time to produce it. I would be glad if the parliamentary secretary would undertake to look into this matter.

Mr. Jerome: I shall do so, Mr. Speaker.

Mr. Macquarrie: Mr. Speaker, notice of motion No. 14 was placed on the order paper as long ago as February 22. I wonder why we cannot be given the communications which passed between the government of Canada and the United Church of Canada concerning the takeover of Ryerson Press Limited.

ORAL QUESTION PERIOD

YOUTH

INQUIRY AS TO POLICY STATEMENT—MEASURES TO ASSIST THOSE NOT BEING REACHED BY OPPORTUNITIES FOR YOUTH PROGRAM

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to address a question to the Secretary of State. In view of recent criticisms by the executive director of the Company of Young Canadians that the youth programs of the government "reach essentially those youth who already have access to resources and who are often skilled brief writers while the untouched and unorganized groups of youth remain in the main unreached," can the Secretary of State say when we may expect the long awaited policy statement on youth?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I wonder why the right hon. Leader of the Opposition should expect a statement which has never been announced.

With regard to the comments of the executive director of the Company of Young Canadians, I am convinced he would be the first to recognize that his own efforts with the Company of Young Canadians were intended to expand the work of that organization especially towards the underprivileged youths.

[*English*]

Mr. Stanfield: In view of this criticism, and in view of similar criticisms which have been expressed by the task force that examined the Opportunities for Youth program, I should like to ask the Secretary of State whether he intends to make any policy announcement with regard

to reaching needy young Canadians who, the task force said, are not being served by that program?

[*Translation*]

Mr. Pelletier: Mr. Speaker, unless I am mistaken, the Leader of the Opposition is referring to the statements made about the high rate of unemployment among young people of 18 to 25. This matter concerns primarily the Department of Manpower and Immigration.

[*English*]

Mr. Stanfield: I understand—

Mr. Guay (St. Boniface): You understand, but you are confused.

Mr. Dinsdale: This government would confuse anybody.

Mr. Stanfield: I am not confused, Mr. Speaker. I am really intimidated today by the hon. member for St. Boniface.

Some hon. Members: Oh, oh!

Mr. Stanfield: Understanding full well that responsibility for employment is not his, I should like to ask the Secretary of State whether he has any plans in his programs to reach the youths who, according to the task force, are not presently being reached. In particular, I would ask the Secretary of State whether he intends to build any criteria into the Opportunities for Youth program with a view to giving youths in this group some priority?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I believe I explained, in reply to other questions, our position, and the reasons why it had been adopted for the definition of criteria for the Opportunities for Youth program.

In order to reassure the Leader of the Opposition, I can tell him that, on a long-term basis, we are considering various ideas which will be brought forward in due course to reach those groups of young people who are not covered by the Opportunities for Youth program.

[*English*]

OPPORTUNITIES FOR YOUTH PROGRAM—SUGGESTED APPROVAL OF GREATER NUMBER OF PRACTICAL PROJECTS

Mr. David Orlikow (Winnipeg North): Bearing in mind the preliminary report on projects approved under this year's Opportunities for Youth program, which shows a very high percentage of projects consisting of surveys and undertakings such as videotaping, would the minister, when he looks at the criteria, give consideration to approving more useful and practical projects than the kind which have been authorized up till now?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, it will soon be revealed, when the list is completed, that the hon. member's information is inaccurate. He will have to wait; projects of the type he has described represent quite a small percentage.

[Mr. Stanfield.]

I have already stated, and the total list of projects selected will bear this out, that program analysts have selected more projects than ever which take place in rural areas and in the less prosperous districts of big cities.

• (1440)

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST THAT REASONS FOR REFUSAL OF PROJECTS BE GIVEN

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to direct a question to the Secretary of State.

Could he tell us for what motives those responsible for the Opportunities for Youth Program will not divulge in a frank and honest way to the promoters the reasons why their projects were rejected?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, it is simply because there are 16,000 notices of refusal to be sent out. These notices must be sent out as soon as possible to the interested parties so that they may look for work elsewhere instead of depending on the Opportunities for Youth program. Writing 16,000 individual letters, each one indicating the particular reasons for each project, would be an impossible task to accomplish in a reasonable period of time. We are now advising all those who are asking for details that, with a little patience, they will in time be informed.

[*English*]

Mr. Speaker: Order. There are five six, seven or more supplementaries sought on this subject. We will soon have to move on to the next subject, but for the moment we will have perhaps two or three further supplementaries.

[*Translation*]

Mr. Fortin: Mr. Speaker, does the Secretary of State mean that in the case of the projects which are flatly rejected, the young people should give up all hope concerning the Opportunities for Youth program, because they will not know why their projects are rejected and will be unable to submit improved projects?

Mr. Pelletier: If the hon. member tried to understand, Mr. Speaker, he would have already realized that they will eventually be given, if they wish so, the detailed reasons. However, the young people let us know last year that it was useful if not essential for them to learn promptly of their rejection, in order not to entertain false hopes and to look for jobs elsewhere, when there are still some available.

Mr. Speaker: Order, please. I remind the hon. member for Lotbinière that we must try to move a little faster. We have already spent more than ten minutes on this subject, and we should make some progress. I shall allow a last supplementary question by the hon. member for Lotbinière, and then I shall recognize the hon. member for Charlevoix in order that he may put a question on the same subject.

Mr. Fortin: Under these circumstances, Mr. Speaker, could the Secretary of State assure us that, a little later, all the young people who have been turned down will receive a letter of explanation.

Mr. Speaker: This question has already been asked and the minister has answered it.

OPPORTUNITIES FOR YOUTH PROGRAM—AVAILABILITY OF ADDITIONAL FUNDS

Hon. Martial Asselin (Charlevoix): Mr. Speaker, as the Opportunities for Youth program has created a great deal of hope among the young who have submitted projects and as one third only of the projects will be accepted owing to lack of funds, could the minister indicate to the House whether he intends to ask Treasury Board to increase the appropriations for this program so that the projects rejected can be reviewed and the minister can assure the young that when they submit serious projects under the Opportunities for Youth program the government will be able to grant them what they ask for?

Mr. Speaker: I am under the impression that this question was asked yesterday, but the minister may want to reply briefly.

Mr. Pelletier: I should only add, Mr. Speaker, that the objective suggested by the hon. member is impossible to attain as the total value of the projects submitted would require an appropriation of $238 million, which of course is beyond all reasonable limits.

[*English*]

Mr. Speaker: Order. In a short while I will return to the hon. member for Egmont and the hon. member for Yorkton-Melville who have supplementaries on this subject. We might try to complete the first round of questioning and I will recognize for that purpose the hon. member for York South.

* * *

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—POLICY RESPECTING TAKEOVER OF COMPANIES IN PERIOD UNTIL BILL BECOMES LAW

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of National Revenue. In view of the fact that neither the statement he made yesterday nor the draft bill which he tabled contained any reference to a policy respecting takeovers in the interim period, and in view of the fact that the confidential memorandum dated February 14, 1972, which the minister presented to the cabinet contained several suggestions as to how to deal with the problem of interim takeovers, may I ask the minister whether the government has arrived at any policy respecting takeovers by foreign interest of Canadian firms during the period between today and the time when the bill becomes the law of Canada?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I am not certain how the hon. member is in a position to know what memoranda I may or may not have submitted to cabinet. Perhaps he would like to tell the House the source of his information. In any event, I would suggest he bring his question to the attention of the Minister of Industry, Trade and Commerce who I believe will be in the House tomorrow.

Mr. Lewis: Mr. Speaker, I assumed that the Minister of National Revenue would know the answer because this undoubtedly must have been a cabinet decision. Therefore may I pose the question to the right hon. Prime Minister. Has the government considered the question and arrived at a policy respecting foreign takeovers of Canadian firms between yesterday and the date when the bill to be presented to the House becomes law?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if we had intended the legislation to be retroactive we would have said so and we have not said so.

Mr. Lewis: Of course, that is what I meant when I said that the legislation contained no reference to the question; I knew it was not retroactive. May I ask the Prime Minister whether the government has considered some alternative mechanism, whether the Minister of Industry, Trade and Commerce has been asked to set up some agency to monitor takeovers between now and the date on which the bill becomes law, or are such takeovers to be permitted without any screening whatever?

Mr. Trudeau: Mr. Speaker, we have not done what the hon. member suggests in the first part of his question, but by making our policy known to Canadians and indeed to any possible investor we hope they will be guided by it generally. The question whether anything more precise in law is needed at this time really depends on the length of time it will take to pass the legislation. Of course, we are not completely in control of the situation; it will depend on how long the opposition wants to debate this matter.

Mr. Lewis: In view of the fact that the announcement of the government's policy yesterday is likely to cause people who want to sell their firms and people who want to buy them to speed up the process rather than wait to be guided by the statement made by the minister, and in view of the fact that the bill will come into law by proclamation rather than by royal assent, do we have the assurance of the Prime Minister that the moment the bill has been passed by the two Houses of Parliament it will become law, or will there be a time delay before proclamation by the government is announced?

Mr. Trudeau: Mr. Speaker, I can assure the House that if there is any delay it will not be substantial. It is our intention to bring the legislation into effect as soon as possible. Indeed, if we can get some co-operation from the opposition parties, we would like to pass it in one day.

STEPS TO PREVENT TAKEOVER OF CANADIAN FOOTBALL BY UNITED STATES INTERESTS

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my supplementary is for the Minister of National Revenue. In view of the serious approach being taken by Montreal toward football with the building of a 70,000 seat stadium for the 1976 Olympics, what steps are being taken by the government to prevent a takeover of Canadian football by United States interests?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, the government stated its legislative intentions in this general area yesterday.

Mr. Paproski: Would football be included in the area to be protected from indiscriminate foreign takeover in line with the policy announced yesterday by the government, and are we going to buy back the NHL?

Mr. Speaker: Order, please.

DISCLOSURE PROVISION OF CORPORATIONS ACT—SUGGESTED LOWERING OF ASSET VALUE TO FACILITATE ASSESSMENT OF PROPOSED TAKEOVERS BY FOREIGN INTERESTS

Mr. Max Saltsman (Waterloo): Mr. Speaker, my supplementary question is for the Prime Minister. In view of the importance of disclosure in terms of assessing takeovers, does the Prime Minister intend to change the section in the Corporations Act on disclosure, which now deals only with disclosure in relation to firms with assets of $3 million, so as to bring it into line with the proposal that firms with assets of $250,000 be examined?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): I will consider the suggestion, Mr. Speaker.

Mr. Saltsman: I have a supplementary, Mr. Speaker. While the Prime Minister is considering that will he also consider looking at the Canada Development Corporation, which says it will not make acquisitions of firms with assets of less than $1 million, in the event it may have to be an alternative buyer and lower the level at which it is prepared to make acquisitions?

FOREIGN INVESTMENT—MEASURES TO ENCOURAGE GREATER INVESTMENT BY CANADIANS IN INDUSTRIAL DEVELOPMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Is the government planning in the near future to introduce measures to encourage greater investment by Canadians in their country's industrial development as a means of reducing the need for foreign investment in this country? I ask this question because there was no mention of any such intention in the presentation made by the minister yesterday. If the answer is yes, will the Prime Minister briefly outline what those steps would be?

Mr. Speaker: Order. I doubt whether the outline or even the brief outline the hon. member refers to should be made during the question period, but the minister may attempt to reply briefly.

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I should like to call the hon. member's attention to what I said in the House yesterday as part of my statement on this question:

As part of its response to this issue the government will continue to develop positive policies to encourage Canadians to participate more fully in the development of their country, and to encourage the growth of Canadian sources of capital, technology and management.

Mr. Speaker: Order, please.

[Mr. Gray.]

Mr. Hees: I have a supplementary, Mr. Speaker. Will the minister not agree that his answer is the same meaningless gobbledygook the country has been fed for the last three years and that it means no more today than it did then, and it meant nothing then?

Mr. Gray: The hon. member must be referring to his own speeches.

Mr. Speaker: Order, please. I think we will now go on to what I am sure will be a less controversial matter. The right hon. member for Prince Albert.

* * *

GOVERNMENT ADMINISTRATION

REMOVAL OF DOMINION COAT OF ARMS FROM PAY CHEQUES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, we will now have something that is uncontroversial. My question is directed to the Minister of Supply and Services. He is now identified. On the pay cheques that are being issued now the Dominion coat of arms has been removed.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: Is this another example of the downgrading and chiselling away of our traditions?

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, the pay cheques have been modernized now for several months and they represent the new symbol of Canada, the maple leaf flag.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Mr. Speaker, it is too bad *Hansard* does not record all the applause I get.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: In the explanation that was sent out along with some of the pay cheques it was stated that these changes were introduced to make fraudulent misuse of government cheques increasingly difficult. Did the disappearance of the coat of arms comply with the reasons for the removal thereof? A little later on it is stated that the new design was prompted by a continuing concern for improved security. I ask the minister, has the removal of the coat of arms in any way added to the security of the cheques?

Mr. Speaker: Order, please. That obviously is debate. If the minister can reply briefly he will be allowed to do so, but I do not think we should become involved in a debate on this matter.

Mr. Richardson: Mr. Speaker, security was a second objective of the change in the cheques, and it was done on the recommendation of the Royal Canadian Mounted Police.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The mounted police made that recommendation? Is that as true as the statement made by the Prime Minister concerning the RCMP when he had to make a retreat? He made a public statement and had to back down.

Mr. Speaker: Order, please. My attempts at finding a matter that is not too controversial have not been successful. I will therefore try the hon. member for Compton.

* * *

[*Translation*]

TRADE

INQUIRY RESPECTING IMPORTATION OF AUTOMOBILES FROM SOVIET UNION

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the minister—

Mr. Speaker: Order. Would the hon. member ask his question?

Mr. Latulippe: Mr. Speaker, I would like to put a question to the Secretary of State for External Affairs.

Would he tell us if the government has concluded agreements with the USSR in order to import more products from that country, cars especially?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, Canada has a trade agreement with the Soviet Union which is exactly the same as the trade agreements providing most-favoured-nation treatment to other countries. There is nothing specific about automobiles in it. We are trying to encourage trade in both directions.

[*Translation*]

AGREEMENT RESPECTING IMPORTATION OF HEAVY WATER FROM SOVIET UNION

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

In connection with the question just put to the Secretary of State for External Affairs, could he tell us if there is any commercial agreement regarding the importation of heavy water on behalf of certain Canadian industries?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. The Soviet Union has sold to us because of the failure of a certain heavy water plant in Canada.

Some hon. Members: Oh, oh!

Mr. Sharp: It has agreed to sell heavy water to Canada to meet our pressing needs which I am afraid could not be supplied otherwise.

Mr. Speaker: Order, please. The hon. member will be recognized for a supplementary but after the supplementary I shall try to recognize hon. members who were not seen yesterday including the hon. member for Vegreville, the hon. member for Moncton and others in the back row. For the moment the hon. member for Cape Breton-East Richmond has a supplementary.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, since the Secretary of State for External Affairs has made a statement with reference to heavy water, I wonder whether the minister would mind giving the House a report on the atomic reactor program, a $2 billion fiasco under his government?

Mr. Speaker: This, I assume, would have to be given on motions. The hon. member for Vegreville.

* * *

GRAIN

OATS—INQUIRY AS TO FINAL PAYMENT FOR 1970-71 CROP YEAR

Mr. Don Mazankowski (Vegreville): Mr. Speaker, can the minister in charge of the Wheat Board advise the House whether a final payment will be made on deliveries of oats for the crop year 1970-71 having regard to the fact that the prices paid to producers were the lowest in more than 20 years for that period?

• (1500)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, in the ordinary course, announcements about final payments are made after the Wheat Board has closed the pool, and I do not have a report in my hands from them.

Mr. Mazankowski: Could the minister advise the House why there is a credit balance of more than $4.5 million, as indicated in the report of the Canadian Wheat Board and effective as of July 31, 1971, nine months ago?

Mr. Lang: Mr. Speaker, the overlapping of the pools is a rather complicated business. It may be that there will be an early opportunity for hon. members to discuss this matter with the Canadian Wheat Board.

Mr. Mazankowski: Can the minister give the House any information on when we may expect a final payment on deliveries of oats or whether, indeed, there will be a final payment?

Mr. Lang: No, Mr. Speaker. As I indicated in answer to the first question, I cannot do that at this time.

WHEAT—NUMBER OF SHIPS WAITING TO BE LOADED AT VANCOUVER

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, thank you. My question is of national importance, particularly to the Prairies.

Some hon. Members: Oh, oh!

Some hon. Members: Explain.

Mr. Guay (St. Boniface): It is directed to the minister responsible for the Canadian Wheat Board. Can the min-

ister tell the House how many ships are currently waiting to be loaded with wheat in Vancouver harbour?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the Wheat Board has reported that for the month of April the industry has managed record loadings of vessels and record unloadings of boxcars at the west coast. As a result, on May 1 the only ship waiting in port was a vessel that had just arrived.

Some hon. Members: Hear, hear!

An hon. Member: Yes, pat yourself on the back.

Mr. MacInnis: On a point of order—

Mr. Speaker: Order, please.

Mr. Korchinski: Mr. Speaker—

Mr. Speaker: Will the hon. member for Mackenzie please resume his seat. Several hon. members now wish to ask supplementary questions. They will be recognized in just a moment. I would hope that the supplementaries would be as brief as possible and also the answers. For the moment, the Chair recognizes the hon. member for Cape Breton-East Richmond on a point of order.

Mr. MacInnis: Mr. Speaker, my point of order arises from the use which is being made of the question period by planting questions.

Some hon. Members: Oh, oh!

Mr. Hees: We never used to plant them.

Mr. Speaker: Order, please. I suggest to hon. members that if we are going to proceed and have a question period we should try to be a little more orderly than we have been in the last few minutes. The hon. member should be given an opportunity to put his point of order, on which there will be a ruling and following which we might continue with the question period.

Mr. MacInnis: While I recognize the fact that the question asked by the hon. member of St. Boniface is urgent and of national importance—

Some hon. Members: Hear, hear!

Mr. MacInnis: —the answer given by the minister goes beyond what is permitted under the rules. All that was required was an ability to count.

Some hon. Members: Hear, hear!

Mr. Korchinski: Mr. Speaker—

Mr. Speaker: Order, please. I think that at this point we should try to go on with the very important matter which is being discussed at the moment by hon. members. If the hon. member for St. Boniface has a supplementary question he will be recognized.

[*Translation*]

Mr. Guay (St. Boniface): Mr. Speaker, on the same point of order.

[Mr. Guay (St. Boniface).]

[*English*]

Mr. Speaker: Order, please. The hon. member cannot rise on the same point of order.

[*Translation*]

I do not think that the hon. member's point of order is acceptable. If the hon. member for St. Boniface wishes to put another point of order, I shall listen to him, but I suggest that the proceeding of the House will not be helped much by that.

[*English*]

Mr. Guay (St. Boniface): Mr. Speaker, I rise on a question of privilege. I have been sitting here as a backbencher for the last four years.

Some hon. Members: Too long.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We are running short of time. The hon. member rises on a question of privilege, and he should be allowed to state it.

Mr. Guay (St. Boniface): Mr. Speaker, since it has been brought to your attention lately that some of us on this side have been asking questions, I asked the research people to give me an outline of the number of questions that were asked from this side of the House. I find that there have been 169 questions asked from last September to March 1 of this year by our side, including the independent members, as against 2,400-odd by the other side.

Some hon. Members: Hear, hear!

An hon. Member: You are not doing your job, just sitting there.

Mr. Speaker: Order, please.

WHEAT—POSSIBLE DIVERSION OF SHIPS FROM VANCOUVER BECAUSE OF BACKLOG

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to ask a supplementary question to the one asked by the hon. member for St. Boniface. Have ships been diverted from Vancouver because of the fact there has been a backlog there and they were not to be kept waiting?

Hon. Otto E. Lang (Minister of Justice): No, Mr. Speaker, the Wheat Board did direct some shipments which might have been loaded in Vancouver to Thunder Bay at an earlier stage, but of course the fact that speaks for itself is that loadings at Vancouver in the month of April reached an all-time record and we are now completely and currently up to date.

Mr. Diefenbaker: And $10 million in demurrage.

Mr. Speaker: The Chair will recognize the hon. member for Athabasca on a supplementary question, and then the hon. member for Regina-Lake Centre on a different question.

WHEAT, OATS AND BARLEY—ACTION TO INCREASE PRICES TO FARMERS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is supplementary to the one asked by the hon. member for Vegreville. In view of the statement in the annual report of the Wheat Board which was recently released that the final payments to farmers for wheat, oats and barley have been the lowest in the past 10 to 20 years when averaged out, would the minister indicate briefly now or in a statement on motions what action he intends to take to increase the payments to the farmers?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, the final payment for wheat was by no means the lowest in the period of time to which the hon. member refers. However, I would like to draw his attention to the fact that cheques for two-price wheat have gone out to the farmers.

Mr. Diefenbaker: How much is it?

Mr. Horner: Eighty-four cents an acre.

* * *

AGRICULTURE

FERTILIZER—ALLEGED REFUSAL OF CANADIAN MANUFACTURERS TO SUPPLY U.S. DEALERS BECAUSE OF LOW RESALE PRICE TO CANADIANS

Mr. Les Benjamin (Regina-Lake Centre): I wish to direct my question to the Minister of Agriculture. Is he aware of reports that dealers in Canadian-made fertilizer in North Dakota and Montana have been told that they will not be supplied if they continue to sell fertilizer to Canadian farmers at the prices prevailing in those two states?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am not aware of such reports, and if the hon. member has some information that is more than hearsay I would be very interested to learn of it.

* * *

AIR CANADA

ALLEGED INADEQUACY OF PASSENGER SERVICES

Mr. Charles H. Thomas (Moncton): Mr. Speaker, my question is for the Minister of Transport. It follows representations made in the House over the past few months regarding the deterioration of Air Canada passenger services. Since urgency has been emphasized in the statement of the president of the Canadian Airline Employees Association, in which he made specific charges, perhaps the parliamentary secretary to the minister could tell the House whether anyone in the department has discussed with Air Canada the adequacy or the inadequacy of its passenger services?

• (1510)

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the minister being still in

Montreal with railway officials, I shall take the question as notice.

* * *

[*English*]

EXTERNAL AFFAIRS

VIET NAM—INQUIRY AS TO REPRESENTATIONS BY CANADA TO SOVIET UNION TO END WAR

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Has Canada made any representations to the Soviet Union regarding the possibility of applying pressure on North Viet Nam to end the war in Viet Nam?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker.

* * *

INFORMATION CANADA

POSSIBLE RELATIONSHIP OF ALLEGED UNSATISFACTORY SITUATION IN ORGANIZATION TO DEPARTURE OF DIRECTOR GENERAL—GOVERNMENT ACTION TO REMEDY

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I would like to direct a question to the Minister of Labour who reports for Information Canada. Having in mind the recent departure from the top position in that organization of its Director General, was that departure related in any way to the report recently made by another high official of Information Canada indicating an unsatisfactory situation in Information Canada? Second, is the minister giving consideration to making changes directed toward improving Information Canada and reducing its cost?

Hon. Martin P. O'Connell (Minister of Labour): Mr. Speaker, the new role that the Director General of Information Canada is expected to play in the foreign service has no relationship at all to the document referred to by the hon. gentleman. I want to state that very emphatically.

As to his second question, together with senior officers of Information Canada, I have been conducting a rather intensive review of its operations, objectives and goals, and we have produced a number of working papers that we are examining. We have engaged at least two expert persons, one from inside the public service and one a senior executive officer of a major Canadian publishing firm. We are going through the various operations to enable those very dedicated persons working in Information Canada to provide an even better service at reduced cost.

Inquiries of the Ministry

EXTERNAL AFFAIRS

DENMARK—ACTION BY CANADA IN VIEW OF DANISH POSITION ON ATLANTIC SALMON FISHERY

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. It has reference to the unique and unusual situation in which one government minister advises the citizens of Canada to do what he believes the government and Canada itself cannot do, namely, boycott Danish goods. I would like to ask what the government is doing in reference to the government of Denmark to press this matter forward? Are we recalling our ambassador from Copenhagen for consultation? In short, when are we ending our mealy-mouthed diplomacy on this matter?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the representations that Canada has made to Denmark in this matter are, in my time, quite unprecedented. These are the strongest representations that have ever been made by Canada on a commercial matter to any government in the world. The evidence of this is the reaction in Denmark.

So far as the Minister of Fisheries is concerned, he said he would not advocate any change in government policy. When he was pressed on the matter he said, as a personal view, that he thought shoppers might show their displeasure with the Danish government's decision. That is his privilege as a person, and perhaps the hon. gentleman has the same view, Mr. Speaker.

Mr. Macquarrie: Do I take it that the minister would agree that these representations have been quite unsuccessful?

Mr. Sharp: Mr. Speaker, if they have not been successful I do not think that is a reason to stop making them.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs. Does he intend to consult with the Danish ambassador to Canada to determine the exact position taken by the Danish government on the eve of the ICNAF conference in Washington inasmuch as press reports indicate that the Danish government intends to persist in its course to the detriment of Canada by continuing salmon fishing on the high seas?

Mr. Sharp: Mr. Speaker, unfortunately this seems to be the position of the Danish government. Indeed, some misleading information appeared in the Danish press, which the Danish government has corrected, that we had agreed to the agreement which the Danes and the Americans had worked out. As my hon. friend knows, Mr. Speaker, we are opposed to salmon fishing on the high seas by any country in the world. We believe this is a right and privilege of the countries in whose rivers the salmon spawn.

[Mr. O'Connell.]

PUBLIC SERVICE

FIREFIGHTERS GROUP—POSSIBLE DIRECTION TO CONCILIATION BOARD CHAIRMAN RESPECTING REGIONAL RATES OF PAY

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I wish to direct a question to the President of the Treasury Board. Has any direction been given to the chairman of the conciliation board that the government has a firm policy that there shall be regional rates of pay negotiated so far as the firefighters group in the Public Service Alliance is concerned?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am sure the hon. gentleman is aware that directions are not given by the government to the chairmen of conciliation boards. Representations are made to the conciliator by both parties, of which the government is one.

INQUIRY AS TO GOVERNMENT POLICY ON PAYMENT OF REGIONAL RATES IN ALL SECTORS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I wish to direct a supplementary question to the right hon. Prime Minister. In view of remarks made previously by the President of the Treasury Board that he is in favour of regional rates of pay, would the Prime Minister say whether it is government policy to implement regional rates of pay in all of the public service?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

* * *

[*Translation*]

THE CANADIAN ECONOMY

FOREIGN INVESTMENT POLICY—DISCUSSION WITH PROVINCES

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to ask the right hon. Prime Minister a question relating to the policy on foreign investments in Canada.

Would the Prime Minister tell this House if negotiations or consultations have taken place with the provinces in connection with this policy which will be introduced soon and, if not, whether he intends to convince the provinces of the objectives of this policy before this legislation is implemented?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have written to all the provincial premiers to inform them of this legislation when we introduced it and also of the statement we made. Even though the consultations have not yet begun they will start soon.

As for the first part of the question I would reply that this will of course depend on how fast the provinces will let us know their point of view. Even now their response seems favorable but when the discussions will go into detail we will perhaps obtain some clarification as to the legislation itself.

[*English*]

INDUSTRY

COAL MINING, NOVA SCOTIA—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. On April 26 the minister indicated he would consider making a statement in the House on the position of government policy regarding certain coal mining operations in Nova Scotia. Has the minister had a chance to consider the matter further, will he in fact be making a statement on the subject and, if so, when?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): I have considered it, Mr. Speaker. Without renewal of the inquiry I thought that perhaps interest had abated. However, I am prepared to give the suggestion further consideration.

Mr. Speaker: Order. Before calling orders of the day, perhaps I might revert to the first subject raised during the question period. I indicated to the hon. member for Egmont and the hon. member for Yorkton-Melville that they would be recognized later for the purpose of asking supplementary questions. They are now recognized at this point for that purpose.

* * *

YOUTH

REQUEST FOR STATEMENT ON FORMATION OF FEDERAL-PROVINCIAL HUMAN RESOURCES COUNCIL

Mr. David MacDonald (Egmont): Mr. Speaker, I have a question for the Prime Minister. Since the Secretary of State pointed out earlier today, and at other times, that there is overlapping or divided responsibility regarding the employment of youth, and in view of the increasing problem in this regard and the recommendations of the task force report last year, and recently of the Wright Commission, with respect to a federal-provincial human resources council, are plans going ahead for the formation of such a human resources council, and when might we expect to have some word on it?

Right Hon. P. E. Trudeau (Prime Minister): I would be pleased to take note of the question, Mr. Speaker.

EMPLOYMENT PROBLEMS—POSSIBLE REFERENCE TO COMMITTEE TO DISCUSS POLICY

Mr. David MacDonald (Egmont): As a further supplementary question, Mr. Speaker, in view of representations made last week and questions to the Secretary of State regarding this and other matters concerning youth policy, and his agreeing to a committee of the House discussing these matters, would the government House leader consult with the Secretary of State and with the Prime Minister to see if arrangements could be made for an appropriate committee of the House to discuss these important matters?

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): I shall be pleased to discuss this with the House leader, Mr. Speaker.

OPPORTUNITIES FOR YOUTH PROGRAM—POSSIBLE EXTENSION TO NON-STUDENTS—OTHER MEASURES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary is directed to the Secretary of State or to the Prime Minister. In view of the heavy emphasis of summer youth employment programs on students, can the minister say whether or not he is planning any specific programs for non-student youth, or will he expand the Opportunities for Youth program to include those who are not students?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, there are already some programs for the young who are not necessarily students. There is one, which is surely known to the hon. member, or about which he can be informed, if he is not already. As for future plans, I have already stated clearly that the main concern with regard to such projects at the present time is precisely to reach the young who are not students nor members of organized groups, that is those whose needs are the greatest.

[*English*]

• (1520)

Mr. Speaker: Orders of the day.

Mr. MacInnis: Mr. Speaker, I rise on a question of privilege at this time for the purpose of apologizing to the hon. member for St. Boniface (Mr. Guay). I never intended to reflect on his ability to count at any time and, as he indicated, he was almost accurate when he said he had been here for four years. However, I am surprised that he should confess to the need for a research staff to count the number of questions, 400-odd, that have been asked from this side of the House.

Mr. Speaker: Is the hon. member for Yukon rising on a point of order?

Mr. Nielsen: No, Mr. Speaker.

Mr. Speaker: The hon. member for Vegreville rises on a point of order.

Mr. Mazankowski: Mr. Speaker, on a point of order, in response to a question posed by the hon. member for Athabasca, I believe the minister in charge of the Canadian Wheat Board left the House with the impression that the total realized price to producers of wheat was not the lowest in ten years. I should like to draw to his attention through you, Mr. Speaker, the fact that in the annual Wheat Board report—

Mr. Speaker: Order, please. This is merely debate. If the hon. member can show me a Standing Order under which that kind of question qualifies as a point of order, I would be pleased to see it. This is debate. The hon. member disagrees with an answer given by a minister. If the hon. member's supplementary question is permitted by way of a point of order, we could have points of order for the rest

of the day. I assume many hon. members are dissatisfied with the answers given to their questions, and possibly members of the government are dissatisfied with the questions asked of them. I suggest very earnestly to hon. members that points of debate should not be raised by way of points of order.

Mr. Mazankowski: Mr. Speaker, in view of the fact that the Wheat Board annual report is published under the auspices of the minister in charge of the Wheat Board, it is my firm opinion that the statements in the Wheat Board report should be factual, and the statement the minister made to the House today is not in accordance with the facts contained in the report.

Mr. Speaker: Order, please. The hon. member may be right. I cannot judge, of course; the only thing I can judge is that this is not a point of order. Orders of the day.

GOVERNMENT ORDERS

FARM CREDIT ACT

AMENDMENTS RESPECTING LOANS AND POWERS AND CAPITAL OF CORPORATION

The House resumed, from Tuesday, May 2, consideration of the motion of Mr. Olson that Bill C-5, to amend the Farm Credit Act, be read the second time and referred to the Standing Committee on Agriculture.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, when it was time for adjournment last night I was dealing with the considerations that entered into the adjustment of interest rates on farm improvement loans to a higher rate than the current rate being charged. I want to pursue that argument briefly in the few minutes left to me. There was another major purpose of the amendments contained in Bill C-5 with which I did not deal in my remarks yesterday and I should like to comment on that now.

The amount which the corporation may lend to an individual farmer in the form of a supervised loan and that is, under Part III of the act, with land and chattel security, is substantially greater than it can lend on a standard mortgage loan under Part II, with a land mortgage only. As hon. members are well aware, the difference is from $40,000 to $55,000 at the present time and, of course, this is going to be changed. At the present time, the farm mortgaged to the corporation must be an economic unit. Some farmers may have economic units with part of the land being subject to a mortgage to some other party on reasonably favourable terms and it should not be disturbed. The lands may also be leased on a relatively long term basis from a province, for example, where there are Crown lands, or other owner. Bill C-5 proposes to authorize the corporation to lend under Part III in these circumstances, on the remainder of the farm, which can be put up as security. As I said, this is an improvement which we would like to make as a result of the practice in the field. We think it is not necessary to restrict Part III lands to a loan on the total of what may be involved in an economic unit or indeed on the total land area that the farmer may farm.

I should like, now, Mr. Speaker, to return to the comments I was making at the hour of adjournment last night with regard to interest rates. As hon. members know, the interest rates that have been charged by the Farm Credit Corporation are really quite modest in relation to the long-term mortgage rates available for the same length of time from any other source. Indeed, I think it is fair to say that when the Farm Credit Corporation rates hit their peak, that is 8¾ per cent and some of those for terms as long as 29 years, no one, no matter how good their credit rating, could borrow money for that long period of time from any commercial enterprise at anywhere near those rates, let alone money strictly for agricultural credit purposes. Although the loans are made on a long-term basis, generally from 20 to 29 years, the rates that are charged to farmers are based on the yield on intermediate term government bonds, that is on bonds maturing in five to ten years. This is substantially lower than the longer-term rate. If the rates were set on the basis of long-term bonds then, of course, they would be significantly higher than they are at the present time.

Ordinarily, on long-term mortgages, the borrower cannot repay or prepay the loan during the first five years; he is locked into an agreement on most of these long-term mortgages for at least the first five years. Farmers who borrow under the Farm Credit Act may repay or prepay without notice and without bonus at any time.

As I said earlier, we have looked at the possibility of arrangements whereby mortgages would be or could be reviewed every five years, with the rate moving up or down in accordance with the interest rate at the time of review. This arrangement might seem desirable in that it would prevent borrowers from being locked-in with a relatively higher rate throughout the lifetime of their loan. It has a disadvantage, however, in that it would add an element of uncertainty to farmers' future costs, and if increasing interest rates happened to coincide with a period when farmers' incomes were relatively low, an increase in the interest rate would add to their financial difficulties. This accentuates the danger of endeavouring to change the basis upon which interest rates are charged, based on a particular situation at any point in time. It is important, therefore, Mr. Speaker, that if at any time in the future a change is made on the basis of changing interest rates on loans to farmers, it must be made on the basis of long-term prospects and be such that it will continue to be equitable during periods of fluctuation in interest rates and in farm income.

Interest charges are clearly visible costs to farmers and it is a natural desire that they want these to be as low as possible, or at least relatively low. However, I think we have a responsibility to look beyond these highly visible costs of interest payments, to the long-term effect of reduced or subsidized rates. I say that because the availability of long-term credit to farmers at rates which are low and not subject to market influences will, and experience has shown this, be reflected very quickly in the price which farmers are called upon, and in some cases are willing, to pay for capital investment. This is particularly true of land. I have satisfied myself by looking at the

figures that when we had interest rates which were subsidized, and that is of course what happened for many years when there was a statutory limit of 5 per cent, that the borrower, the actual farmer who was going to operate that land, really did not benefit as much as the seller because there was an inflation in the price of land when that was happening. Thus the advantage of low interest rates on loans from the Farm Credit Corporation would be quickly dissipated through rising costs of capital expansion and the borrower would be saddled with the continuing high capital cost which would have to be serviced through future farm income. In other words, any attempt to adjust or control interest rates through mechanisms which do not reflect the realities of the market for credit or for farm land, in my view would adversely affect the costs of capital investments for all farmers.

• (1530)

This has to be taken into account, because I think all members of the House agree that the terms and conditions of credit, and the mechanisms by which that credit is utilized in the farming sector, must be such as to be of advantage to the ongoing farm operator. He is the one who has assumed the obligation of servicing the debt from the income of his farm, in many cases for as long as 29 years. Certainly, it would not be in his interest if we were to take action that would result in undue inflation of land prices, for the advantage accrues not to the buyer but to the seller.

Mr. Horner: The government is giving the seller quite a bonus under this scheme.

Mr. Olson: I see the hon. member for Crowfoot (Mr. Horner) is trying to enter into a controversy with me. Last night I said that many farmers are anxiously waiting for this bill to pass quickly. I also said that I will not be party to any discussion that will delay for even one hour passage of the bill and the beneficial results this bill will bring to farmers in Canada.

Mr. Dinsdale: That's pretty weak, Bud.

Mr. Olson: The hon. member can judge how weak it is when I tell him that members of his party have gone around the country saying the bill is a good one. They also say, and they are wrong in this, that the government has merely brought the bill forward but does not intend to press ahead with it.

Mr. Horner: The minister said that last night. He is merely repeating himself.

Mr. Olson: I see two or three members on the other side who were not here last night and may not have read the excellent speech that was made. Probably, they do not know what I said.

Mr. Horner: We know, Bud. Come over here and we will pat you on the back.

Mr. Olson: I know the farmers of this country support the bill. We are obligated to make its benefits available to them as quickly as possible.

In conclusion, and in summary, may I say that the amendments to the act as proposed in this bill will, first, improve the position of farmers across Canada through the removal from the act of certain restraints on the Farm Credit Corporation, these being statutory limitations, with respect to loan limits and age limits. This, I suggest, will permit loans to be made on a more useful basis in the light of modern farm practice and organization. Second, the amendments will provide authority for the Farm Credit Corporation to carry out other governmental activities and programs. The presence of the corporation in the farming communities across Canada, and there are highly respected government officers in those communities, would mean that it is a highly suitable organization to carry out a program such as the small farm development program, either alone or in co-operation with provincial authorities in such provinces as have entered into agreement for the joint administration of such a program.

Mr. Horner: And which provinces are those?

Mr. Olson: The bill has not been passed yet. We are referring to the time when it has been passed.

Mr. Horner: And when will that be?

Mr. Olson: Mr. Speaker, farmers in all parts of Canada know that the agricultural economy is improving rapidly.

Mr. Horner: Really?

Mr. Olson: There is ground for optimism. Farmers feel that they can expand their operations, confident that difficulties of the sort experienced in the last two or three years will not recur. Let me point, for example, to the dairy industry, to the grain industry, to the beef industry, and to the hog raising industry. Indeed, conditions in every major commodity producing part of the agricultural industry have improved substantially in the last year or year and a half. In the light of this atmosphere, in the light of this optimism and confidence in the agricultural community, we must make changes in the act to enable the Farm Credit Corporation, which has performed a useful, indeed, essential service for agriculture, to meet the more modern requirements of the 1970's and fulfil its responsibilities as well as it fulfilled them in the past.

Mr. Speaker: The hon. member for Mackenzie.

Mr. Thomson: Mr. Speaker, may I ask the minister a question?

Mr. Speaker: Order, please. I apologize to the hon. member for Mackenzie. I am not sure if the hon. member for Battleford-Kindersley rose for the purpose of asking a question of the minister and if the minister was prepared to reply to that question before resuming his seat.

Mr. Olson: Mr. Speaker, I was willing to reply.

Mr. Speaker: Is it agreed that the hon. member may ask his question?

Some hon. Members: Agreed.

Mr. Thomson: Mr. Speaker, may I direct a question to the minister? He did not go into details to explain how the

small farms development policy would work under this bill. Could he be more specific? Could he, perhaps, send me some written material showing how this policy will work under the bill? I want that information before speaking on this legislation.

Mr. Olson: Mr. Speaker, Bill C-5 relates to the small farms development program only in that it asks for statutory authority for the organization referred to previously to administer the small farms development program. We already have authority from this House for expenditures to be made. I have already sent the hon. member a complete explanation of the features of that program. Until the provinces agree to the division of administrative responsibility, I cannot, of course announce that division. There may be slight variations as between one province and another. We are rapidly approaching the point at which we simply will not be able to wait much longer for the provinces to reach these agreements. The farmers of this country want these programs to be established, and hope that this will happen quickly. All the information has been provided to the hon. member that is available in specific terms.

Mr. Gleave: Will the minister not ascertain whether the provinces agree to this.

Mr. Stanley Korchinski (Mackenzie): Mr. Speaker, I listened to the Minister of Agriculture (Mr. Olson) last night and again today, in the vain hope of hearing him say something about amendments which would be relevant to conditions today. I hoped to see evidence of a little foresight which would take us forward into the 1970's with a new approach. I did not want to see evidence of the approach that served in the 1960's and that is rapidly not fulfilling the requirements of today. Listening to the minister, I was under the impression, and I could not help it, that he was like a man blowing up a balloon. Having exhausted himself, he puffed but the air kept coming back from the balloon. That was my impression of the minister's comments. To me it seemed that the air was coming out of the balloon, and that the balloon was exerting more pressure than the minister.

I do not subscribe to the minister's position. I do not think all farmers are breathlessly waiting for this legislation to pass. Most of the proposed amendments will ease administrative problems. They are necessary if administration is to be made easier for those charged with that responsibility. To be fair, I suppose sometimes farmers have been denied loans because lenders have interpreted the law too narrowly. All the same, I do not think the minister has a grasp of what is needed today, as was evident from the answer he gave to the question raised by the hon. member for Battleford-Kindersley (Mr. Thomson).

• (1540)

The mystery that surrounds the small farms program is still with us, even though the minister has spoken. I suppose because his conscience is bothering him, he threw in the suggestion that this measure may be election bait. I do not see how he can bait anyone in an election on the basis of the amendments he is making to the Farm Credit Act at this time. There is nothing original or revolutionary in his ideas. They are simply ideas that came forward from the office. He was informed that in order to correct a series of problems and get around the fine print in the bill, these changes were necessary.

I wish to deal with some of the changes that are being introduced. For example, the suggestion has been made that a farmer can now borrow up to $100,000. Previously, the act stated that a combination of three farmers could borrow up to $100,000. According to the annual report, the average loan has been in the order of $28,000. If that is so, why would anyone suddenly require an additional $72,000? What the minister has done has been to make it appear as though it is a lot easier for farmers to get more money. However, many farmers do not want that kind of money. In the past, they have found that the interest they must pay has been a great burden. They will not be quick to pick up this $100,000 because they will be burdened for perhaps 30 years.

If individual farmers can borrow the $100,000, this will hasten the day when the large farms will be owned by one individual. It will certainly hasten the day when the small farmer will move off the land. In the past, the individual farmer could borrow up to $40,000. He can now borrow two and a half times that much. All the government hopes to achieve by this provision is to hasten the day when the small farmer will move off the land.

In another area, we are told that the reason for the amendment is that there are some administrative problems. It was not known in the offices how much equity a son should have or when a father and son could borrow more than $40,000. It is interesting to read the reply of Mr. Owen to a question that was raised in the Standing Committee on Agriculture. This is recorded in the seventh issue of the agriculture committee reports. He stated:

> You will appreciate that one of the problems in these levels I have given you is the question of deciding when there are two farmers and when there are not. How much equity or interest in the farm should the farmer's son have in order to be, in fact, an owner-operator, or to be participating in the business?

This is one of the reasons the changes were necessary. There again it was a question of helping the administration. I stated at one time that in some cases loans had been denied because of the difficulty, in ascertaining the equity of a farmer, but I do not believe $100,000 is the magic figure to correct that situation. The same end might have been accomplished by establishing a level of $50,000 or $60,000.

Another amendment was introduced concerning the approval requirement for a farm improvement loan. That is not a difficult problem to overcome. By answering a letter by return mail or making a phone call to the office, authorization could be granted to allow the farmer to obtain a loan. This could be done very easily. I cannot see any dealer telling a farmer that if he does not get approval today, he will not sell him a machine tomorrow. I am sure any dealer would be glad to wait for a month until authorization is received. It does not create a real problem. I suppose a lot of unnecessary work will now be eliminated, but this, in itself, is not earthshaking. This, again, is a question of administration.

I now come to the additional amount of money that is being made available. Last night the minister stated that

approximately $245 million had not been lent. Last year the amount of loans was something in the order of $115 million. If loans are made at the same rate as last year, the funds available now could last for another two years. On that score, the minister did not really come forward with anything earthshaking. Under the present circumstances, we could have carried on for another couple of years.

The amendment just allows the farm credit corporation to administer the small farms development program, whatever it may be. A mystery still surrounds this particular program. I have received inquiries which I directed to the minister in the hope that I would be able to obtain some information as to how this program would work. I have not received any information and, therefore, I have not been able to provide other people with information. The minister might better serve the farmers if he introduced a piece of legislation to cover the small farm development program, set out the purpose of the bill and by what method he proposed to operate the whole scheme. Under the circumstances, there will be an item in the estimates which will allow approximately $30 million per year for the administration of this plan, whatever it may be.

This minister used the Farm Credit Act in order to throw in a few bits and pieces of administrative authorization so that he could say "Oh, yes, we have the authority. We have the farm credit corporation, and we have passed an item in the estimates." Nobody knows what this is all about. There is an item of expenditure that can be made by the government, but we do not even know whether or not the farm credit corporation is to be credited with that $30 million for this year.

The amount of money borrowed last year for the purpose of purchasing small farms was in the order of $37 million. That is all that was required. Is this $30 million to replace the $37 million that was used last year or will there be an additional $30 million? If there is to be an additional $30 million, what will be the purpose of it? In other words, we have been told very little about the way the scheme will operate; I hope that before long we shall be provided with far more detail. It is, really, improper for the minister to suggest he is about to introduce a program when, in fact, there is no program ready. We are told the program will begin as soon as the provinces agree. Will it be necessary, then, to wait until all the provinces are in agreement? The minister told us, almost in the same breath, that he could not wait very long, that he wanted to proceed. If he is at liberty to act, why did he not take action long ago? Does he intend to work out a scheme which would fit in with certain provincial schemes? Some of those schemes, I might say, are pretty hairy—I am not exactly in agreement with them, if the reports reaching me are correct.

• (1550)

The minister implies that we should move along as rapidly as possible, as if the whole world were waiting to see what will happen. Well, farmers may be waiting, but they are not waiting for these amendments, or for the type of legislation proposed by the minister. I do not think anything in this bill will improve the situation on the farms. We can, of course, readily agree with some of these amendments, because they are of a housekeeping character, but there is nothing which is forward-looking in the bill as a whole.

Last night the minister informed us he already has authority to refinance loans which were taken out at high rates of interest, some at a rate of 8¾ per cent. So, what has prevented him from acting earlier? If his intentions were good, he should have proceeded without waiting for these amendments to be approved.

Let us take a look at the overall loan picture. At the present time, the total of loans taken out by farmers amounts to about $1,200,000,000. This is a terrific amount for farmers to have borrowed. As of the latest report available, the report for 1970-71, more than 70,000 farmers had taken out loans. This represents almost the total number of farmers in Saskatchewan; it equals the combined totals of all the farms in Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Manitoba and British Columbia. Looked at in another way, it means that a number equivalent to all the farmers of Manitoba and half the farmers of Alberta have taken out loans. This does not necessarily mean that farmers share the optimism which the minister has expressed.

Four or five years ago there was, perhaps, greater optimism; farmers took out some 12,000 loans. Last year, only about 4,100 loans were taken out, about one-third of the number taken out five years ago. Whatever the minister may say, farmers are not rushing to take out loans. They no longer see a great future before them and this is proof of the lack of optimism felt in the industry. Last year the amount advanced by way of loans declined by 28 per cent compared with the previous year. The minister told us only a few minutes ago that there had been a great upturn in farm fortunes. The facts are these: in 1969-70, 87 per cent of the farmers were in arrears. Last year, in 1970-71, 83.9 per cent were in arrears. Obviously, optimism is not reflected in a comparable amount of money in farmers' pockets, and that is the kind of optimism they understand.

The annual report of the Farm Credit Corporation from which I took these figures has further information. Perhaps I should read it for the benefit of the minister, since apparently he did not find the time to read it himself and learn what is happening. He indicated there was great optimism in the industry. At page six, the report has this to say:

> The decline in the purchase of land to enlarge farms reflects in part the unwillingness of many farmers to expand their businesses during a period of uncertainty in the agricultural industry.

I am sure that if the minister took time to read the reports which are published by his own department he would find in them an entirely different story from the one he tells the House. Further, on page eight of the report, we find:

> Younger farmers accounted for a somewhat smaller proportion of loans than in preceding years.

If young farmers in Canada do not share the minister's optimism there is certainly not much future in agriculture. I am sure this report has been honestly compiled. If the minister would only listen to the advice given to him by his senior officials, he might make some progress. Unless he does so, he will not succeed in producing amendments which meet the requirements of the seventies.

We find that in 1971, there are 15 per cent fewer farmers than in 1966. We have failed to reverse this trend. In the last 20 years, the number of farmers has declined by half. Worst of all, the average age of farmers has risen and is continuing to rise. At the present rate, it will not be long before the average age of farmers is around 60 years.

I am somewhat concerned about recent legislation which the Province of Saskatchewan has enacted and about legislation which it proposes to enact. In my view it will hinder the operation of the Farm Credit Corporation. It may be that because of the lack of optimism in the rural areas, farmers have lost their spirit and are willing to accept next to nothing, or something which in the long run will not be in their interest, and this disturbs me. I am always mindful of the Regina manifesto.

• (1600)

If the Minister of Agriculture signs an agreement with the province, the agreement should take into account the fact that we should try by every means possible to retain possession of the land in the hands of the farmers. They should be given every opportunity to own the land. In this respect, I am concerned at the attitude of the New Democratic Party in the province of Saskatchewan which has been amply demonstrated, and I presume that, being blood brothers, the federal NDP subscribe to a similar line of thinking. I am concerned about several developments in the last couple of years having to do with legislation dealing with estate taxes, capital gains, the land bank proposal and the foreign ownership proposals for land advocated by the government of Saskatchewan. This last matter is a real mystery. There is no bill; it is simply a proposal put forward by the government and which I presume is subscribed to by the federal NDP. The proposal is that no "foreigner" may own land in the province of Saskatchewan. Within one year he has to dispose of any property he owns. Foreigner, in their interpretation of the word, means anyone who is not a resident of Saskatchewan.

I am wondering how the Farm Credit Corporation is going to operate with this type of restriction, one that I believe is unconstitutional. Surely to goodness, we are not Balkanizing Canada yet. Surely, we have not reached the point where every province is a country within its own boundaries. To suggest that a foreigner is someone who lives in another province and that he should not own land in the province of Saskatchewan is, to my way of thinking, not going to be conducive to improving the farm economy. In addition, it will depress land prices.

Many farmers have had land given to them, or have bought land after working elsewhere for many years. A farmer who did not have sufficient capital to start with went to work. Then, when he had saved enough he bought a quarter section, and then he bought another quarter section and started a farming operation. Since he became sick and tired to carrying a lunch pail, he took up residence in the province of Saskatchewan. How is the Farm Credit Corporation going to get around that situation? I am wondering whether the minister is aware of the developments taking place in the province and whether, if the proposed legislation becomes law, he will be the first to take it to the Supreme Court of Canada to test its constitutionality.

I believe we must not allow such developments to take place. We have not had a statement from the minister or from the Minister of Justice (Mr. Lang) on the matter. We should not even entertain such an idea in this country. I do not know what the motivation for the proposal is, other than the Regina manifesto. I do not know whether the province is concerned about estate tax, but we have to pay estate tax whether we reside in Saskatchewan or not. Anyone wishing to buy land in Saskatchewan from a non-resident will sit around for a whole year. Every day that goes by, the seller will become more and more desperate to dispose of it for next to nothing. That sort of thing is not going to be healthy for the economy. I think the minister should investigate this situation, if not the Minister of Agriculture, certainly the Minister of Justice.

I see nothing in this bill which indicates the federal government has taken into account the existence of the land bank in the province of Saskatchewan. I should like to know how this is going to jibe with his small farm development program. I am just wondering whether the minister is going to be prepared to sign an agreement with the province of Saskatchewan. I think we should know what is the position of the federal government if this type of legislation is enacted.

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

Mr. Korchinski: Yes.

Mr. Olson: I am not sure I understand the hon. member, but is he suggesting that we should review provincial legislation and pass opinions on whether the province can or cannot pass legislation of this nature?

Mr. Horner: As a former Social Crediter you should know that it has been done before. Remember the Bank Act of 1937?

Mr. Olson: That is a little bit of ancient history.

Mr. Korchinski: Knowing that this legislation is proposed, I think the minister should indicate to the House how it conflicts with his small farm development program. We have not had any details of this particular program, so I do not know what is the position. But I do know what is the position of the NDP in the province of Saskatchewan.

Mr. Olson: I have already stated that we are not participating in the Saskatchewan land bank scheme.

Mr. Korchinski: Then, at least we have that from the minister.

Mr. Olson: I said that months ago.

Mr. Korchinski: May I turn now to what I believe the amendments should include at this time. The minister has not recognized the need for the next 10 years or so, despite what he said in his remarks.

Mr. Olson: I said for four or five years.

Mr. Korchinski: I would point out to him that present interest rates are a burden on the farmers. There is no incentive to stay on the farm. Interest rates have always

been a concern to farmers. My recollection of the thirties is somewhat dim, but I do recall that the prime concern of the farmers at that time was the discharge of any debts they had. It was not so much the debt that they could not manage but rather the interest rate; that was what finally broke the backs of many farmers. They could not burn the mortgage. As a matter of fact, they used up the best years of their lives in trying to pay off the interest. Many farmers had such a fear of the banks that they preferred to leave their money at home. We have all read stories in the newspapers time and again about someone dying and money being found under a mattress or in a secluded place. This is the result of the fear these people have of banks. It is not a fear that the money will not be safe, but rather is a distrust which has developed because they have had to pay interest over the years and could not remove the yoke with which they had been saddled. I believe this is one thing the minister ought to consider at this time.

• (1610)

There is no incentive to any young farmer. Gradually, we find that the average age of farmers' keeps increasing. There is no incentive for a young farmer to remain on the farm. We must take this into account in this day and age. No consideration is being given to the people involved in farming, such as is given to those involved in industry and in labour, for example. The Opportunities for Youth Program, for example, is an incentive given by the government in order to provide work and accomplish something in that way. The LIP program, surely, is a program designed to provide jobs. Obviously, this also is an incentive for labour. Then, there are the DREE programs we hear about, involving incentives for industry to move into certain areas. We are living in the age of incentives. Everybody, except the people engaged in farming, shares in these incentives. The depressed areas we hear about receive special consideration. I am informed that when one totals the amount involved in these incentives it comes to about one-half billion dollars. I believe there should also be an incentive to remain on the farm.

I believe the farmers of our country deserve the same consideration that is given to other segments of our society. I do not believe the present situation will help preserve the family farm. I believe there was a period, when the Farm Credit Corporation was first initiated, in which this need was fulfilled, but at that time we had a pegged interest rate. Now, thanks to this government, the bottle has been uncorked and the interest rate has gone higher and higher. We find ourselves now with a rate as high as 8¾ per cent. The minister says he has the authority to refinance these loans at a lower rate, but he is not doing anything about it. Even though this authority exists, it has not been used to provide an incentive.

In respect of the land bank established by the New Democratic Party in Saskatchewan, it would seem to me that the farmer would have to pay the interest and taxes and the government would own the land. In effect the farmers would be told, "you pay the taxes and the interest and the government will end up owning the land". After making payments for years and years, the farmers would end up having nothing to show for their efforts.

I am very concerned about the Regina manifesto. I believe the government should pay the interest and let the farmer own the land. This is part of our belief. We believe in the right of ownership. We do not believe it is the state which is the ultimate, but rather that the individual is more important than the state. One way in which this principle can be maintained is by reversing the method the NDP are following in Saskatchewan. The government should pay the interest. The farmers should pay the taxes on the land and make the capital payments, but the government should pay the interest. I say this is our answer to this type of program. We believe in individual ownership. The government does not have any position because it does not know where it is. I have indicated to the minister and to the House that we should use this approach in order to keep people on the farm.

We believe that any young man who starts farming needs incentives, just as incentives are necessary in any other part of the economy. I think the time has come when a similar approach should be taken with regard to the young farmers. I wish to make several suggestions. I have several proposals about how to achieve this. We believe that up to a certain age level, the interest on the borrowing should be forgiven. This type of assistance is similar to that given other industries. If any payments are made, they should be applied to the principal. In this way, when any payment is made on the principal, the principal would be reduced so the interest would also be reduced in succeeding years. This would provide an incentive to the young farmer to pay off the principal as quickly as possible. In that way he would be in a position to own the land. At the present time, there is no such incentive. I believe this is an approach we should take. After a certain age level, the interest would be paid by the borrower but prior to that time it would be deferred. If any payments are made they would be applied to the principal, again reducing the principal and thereby reducing the interest.

Here again, the quicker the principal is paid off the lower the interest payment becomes. There is another reason for this suggestion. I think the proper approach would be to assist the young farmer to become established. Once he is established it is easier for him to pay interest. After having had the interest forgiven or deferred, he would be able to make the payments since he would have become established. This is only fair. I remember the situation when I started my own farming operation. It was easier to make payments as the years went by, after the machinery was collected and there was an equity in the farm. I also believe several other approaches should be taken.

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member rising on a point of order?

Mr. Blair: Mr. Speaker, I wonder whether I might ask the hon. member a question?

Mr. Korchinski: Perhaps I might be permitted to outline these proposals, and then the hon. member might wish to ask his question later.

I believe there should be an adjustment of interest rates on which loans were taken out at higher rates. The minister has authority to do this. If the loan could be refi-

nanced, the farmer would have an opportunity to save a few dollars. There might be a situation in which the farmer would wish to add to his loan in order to make improvements to his farm. In this case, I do not believe it should be necessary for him to refinance his loan, especially at a time when the interest rate may have increased. He could avoid legal fees.

It is quite strange that under Part III any farmer at age 45 can get a loan of $100,000, while no one at age 46 would be allowed to receive $90,000 and no one at age 47 would be allowed to receive $80,000. What is so magic about the age 45? If we drew up a schedule, I believe this problem could be relieved. It is essential to try to keep these people on the farm, not only to show our faith in the young farmers but also to reverse the existing trend in many communities. Often services are no longer provided in these communities and the older people no longer want to spend much money on the farm because they have not decided how much longer they wish to stay on the farm. Consequently, the whole community dies. We believe that it is time to give the young farmers an incentive, some reason to stay on the farm and some reason to take out a loan at an earlier stage.

• (1620)

I believe that some of the proposals which I have put forward would go a long way toward accomplishing this goal. Accordingly, I move:

That Bill C-5 be not now read a second time but that it be resolved that in the opinion of this House the government should give consideration to the introduction of legislation to amend the Farm Credit Act by incorporating the incentive principle—already approved by this House in other legislation—to provide for partial non repayment of interest where young farmers meet performance standards, for deferred interest payments on all loans during an initial period, for equitable adjustment of interest rates for the benefit of borrowers; and, as well, to provide for open-end loans which will allow additional borrowing without refinancing costs.

The Acting Speaker (Mr. Laniel): The Chair is ready to accept the amendment moved by the hon. member although I might have reservations regarding its form, its wording and its length. However, precedents in the House would make it acceptable, unless hon. members have a different opinion.

Mr. Olson: Mr. Speaker, I know that amendments of this nature have been moved on second reading, and I will not raise any procedural objection to this one, but I think hon. members should be well aware of the fact that their support of the amendment would do nothing but kill the bill.

Some hon. Members: Oh, oh!

Mr. Danforth: That is a political speech.

The Acting Speaker (Mr. Laniel): Hon. members have heard the motion put forward by the hon. member for Mackenzie (Mr. Korchinski).

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, inasmuch as the effect of the amendment would be to set aside any discussion of the bill, and any action that might be taken now, I can hardly go along with the amendment. It may be that after a full discussion of this amendment

hon. members may be able to convince me that they have a case, and I may be able to consider it.

What we are considering in this bill is a proposal to increase the amount of money that can be borrowed. However, some other important programs are involved which will have to be examined as part of the bill. I hope that when and if this bill goes to committee it will receive a thorough examination. I hope, too, that we will call before the committee representatives of farm organizations, as well as the Farm Credit Corporation. Indeed, we should call before the committee officials of the Department of Manpower and Immigration, officials in charge of manpower training, and officials of ARDA or whatever organization has succeeded it. Judging from the statements which the minister has made and some of the provisions in the bill, manpower retraining forms an integral part of the proposals which the government has laid before the House last night and today. Those proposals need to be examined very carefully.

• (1630)

The previous speaker was greatly exercised about some legislation that is proposed in the province of Saskatchewan. But, Mr. Speaker, the proposals in this bill are very far reaching with respect to the future development of farms and farming communities. If we examine a proposal which deals with the consolidation of farms, the other side of the proposal must deal with the elimination of some farms. If we pass legislation dealing with the consolidation of farms and the lending of larger amounts of money, we must attempt to see what the results will be in the future.

Clause 1 of this bill will amend section 11 of the Farm Credit Act so that it will read in part:

The Corporation has all the powers necessary to carry out such duties or functions as may be assigned to it by the Governor in Council in relation to the administration of any agricultural program or as are assigned to it pursuant to any other Act of the Parliament of Canada.

Once this legislation is passed, the government can take action through orders in council. It can make very important decisions regarding complete phases of agriculture in some parts of the country, without having to lay its program before this House and defend what it proposes to do to people and for people. I am sure that the minister can advance logical arguments in support of the proposal in this bill to increase the amount of money which can be lent. Even on a compact family farm, the investment in land, cattle and machinery can be very substantial.

Every once in a while I read articles in newspapers which say how wonderful it is to have a one-man dairy farm, a one-man grain farm, or a one-man hog farm. But, Mr. Speaker, the individual concerned will be working 12 to 16 hours a day, and must have a very substantial capital investment. I am concerned with how this bill will affect the farmer and the communities in the farming regions of the country. What is needed here is companion action to increase farm income.

This afternoon questions were asked about the final pool payment on oats. Questions were asked yesterday about the price of rapeseed. Questions were also asked yesterday about the initial price of barley. In each case,

those questions were not answered except by the minister saying, "We are going to continue to do what we are doing in respect of the pricing structure."

With respect to the hog subsidy which the government recently paid out, I ask was the amount of the subsidy related to the cost of production on farms in Saskatchewan, Ontario and Manitoba? The answer is no. The record shows that the payments were related to the ratio between the price which existed in central markets in the United States and the price in the Toronto market. On that basis, it was decided to pay $5 a hog.

According to a term which has become popular amongst economists, the cost of money enters into the costs of production of every commercial farm in Canada. What we are talking about here is the cost of money and the use of money. The other day in committee we had a look at what is happening to Farm Credit Corporation loans in western Canada. Here, I quote an answer given by the Chairman of the Farm Credit Corporation, Mr. Owen:

—we had in Alberta $6,106,000 of arrears, which amounted to about 25.5 per cent of the amount due during the previous 12 months; in Saskatchewan, $6,411,000, representing 23.8 per cent; in Manitoba, $2,580,000, representing 28.2 per cent.

This is the picture of a depressed industry, Mr. Speaker. Our party met with representatives of farm organizations not more than two weeks ago, and one of those representatives said to me, "When you look at figures like that, you are getting pretty close to a debt adjustment program." The Conservatives can cry if they like about the legislation which is being proposed in Saskatchewan. I suggest they could better spend their time crying about the situation in which western farmers find themselves, rather than lambasting a provincial government which is doing its best to remedy a situation which is totally unacceptable to our citizens.

Mr. Southam: We are not crying; we are just giving you some good advice.

Mr. Gleave: Any advice we get from that corner we could do without. The previous speaker was talking about legislation that will not even be dealt with at this session of that legislature. It will be studied by a committee to see how best to deal with the foreign ownership problem which is developing in our province. I would say, Mr. Speaker, that you will not find us trying to deal with foreign ownership the way the government is trying to deal with it in Canada, with a lame brain policy.

• (1640)

An hon. Member: Is that what Schreyer said?

Mr. McBride: Check with an NDP government.

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

Mr. Gleave: Not really.

Some hon. Members: Oh, oh!

Mr. McBride: You know what he is going to ask.

Mr. Gleave: If it were really urgent, I could accept it but I would rather carry on.

Mr. McBride: I would not accept it either.

Mr. Deputy Speaker: Order, please. The hon. member should be permitted to continue his remarks.

Mr. Gleave: Mr. Speaker, this debate will last for some time, and I have no doubt that the hon. member who wishes to ask a question will have an opportunity to say something about the government policy as I am now saying what I have to say.

Mr. Osler: It was only in reference to your aside.

Mr. Gleave: Mr. Speaker, I want to get back to the main part of my remarks.

Some hon. Members: Hear, hear!

An hon. Member: You want to get away from what Schreyer said.

Mr. Skoberg: What would you know about what Schreyer said?

Mr. Gleave: We will not worry about what Schreyer said or what Blakeley said.

Mr. McBride: Lewis doesn't either.

Mr. Gleave: Mr. Speaker, I want to tell those people who insist on discussing provincial politics that once again, as we did in 1944, we will pioneer some of the solutions that have to be found for the farmers of this country. I am not here this afternoon to apologize for provincial NDP governments. I do not have to, because they initiated policies which are now being followed all over Canada, as for example, Medicare, with regard to car insurance and a number of other things. If hon. members opposite and to my right have nothing better to do than pick on those two provincial governments in the provinces which have suffered the most severe blast from the agricultural policies followed by this government, I am sorry for them. They will have their turn. The members from Manitoba should take note of the tax arrears in that province and the shape the farmers there are in because, Mr. Speaker, this is the road to bankruptcy. What I am saying—

Mr. Osler: Did it happen recently, in the last three years?

Mr. Gleave: The minister in charge of the Wheat Board is roaming Saskatchewan saying that this year they are going to sell $1.1 billion worth of grain.

Mr. McBride: Hear, hear!

Mr. Gleave: Mr. Speaker, that is where we were in 1967, before this government took office. All they are doing is getting back to where we were. The best thing that these gentlemen can do is be quiet because, then they do not attract so much trouble to themselves. I do not mind. I am quite willing to set the record straight as the opportunity offers.

Mr. McBride: You look great.

Mr. Cullen: You look better sitting down.

Mr. Gleave: Mr. Speaker, I want this government to do something about the income factor. I have mentioned that there has been a severe drop in the acreage of rapeseed this year. This is a major concern, and if something was being done about it we might have a little more confidence in the credit policy. If something was being done to stabilize prices, we might have a little more confidence and if something was being done about the cost we might have a little more confidence.

The fertilizer companies have been holding the farmers of western Canada to ransom for two years, and we cannot get the responsible department to do anything about it. I was amazed this afternoon, when the minister was asked about fertilizer prices, and he replied "If you will send me something other than rumours, I will be glad to look at it." Mr. Speaker, it is blazoned all over the front page of the "*Union Farmer*". A letter came into my hands almost a week ago which shows that fertilizer costs $19 or $20 a ton more in Manitoba and Saskatchewan than on the other side of the border. Some of that fertilizer comes from the minister's own riding of Medicine Hat, and some of it comes from Kimberley in the mountains, so I cannot understand why the minister is not aware of this.

Another thing that I cannot understand, Mr. Speaker, is why the government allows a cartel to rook the farmers of western Canada when they are trying to reach some efficiency of production, nor can I understand why the government allowed a cartel to rook the farmers of Ontario last year. Last year fertilizer cost $97 a ton in Biggar, but this year the same thing will cost at least $15 a ton more. I cannot understand the government's indifference to the real plight of the farmer.

We had a voluminous report on farm machinery and spent a lot of money on it but with what result? Some hon. members jest about Roumanian tractors. That may be a joke for some people.

An hon. Member: They will hear from their friends in Massey-Ferguson.

Mr. Gleave: I do not think this is going to turn the picture upside down. What assistance is the ordinary farmer getting who is trying to improve his efficiency and productivity in order to survive? This question cannot be ignored, because this is the man who pays the taxes and keeps the whole rural infrastructure going as do the people in the small towns. The only reason for the existence of these communities is to see that the farmer is well served and able to operate. What are we doing to help them? To say that the answer is to bring in a manpower program to get these people out of these communities begs the question. With the rate of unemployment we have, where do they go? This is the relevant question, and the Farm Credit Corporation recognizes it in a statement on the first page of its report to the effect that the lack of opportunity for employment off the farm is one of the important factors keeping people on the farm. Of course it is; they have no place else to go.

When this bill goes to committee let us not ignore this fact. Lest us not go to the farmer weeks from now and say that we have solved his problem, that we have a program. Let us not say that to the farmer unless we really have a program to which he can look forward with some hope and confidence for the future. That is the nub of the question.

• (1650)

You know, I could go on talking about the policies which have been mentioned, policies involving agricultural adjustment or development programs for Canadian agriculture. These policies are something like the grain stabilization bill which was conceived by and first saw the light of day in the Task Force on Agriculture. That is the source of these ideas. I will not spend time berating the Task Force on Agriculture. I only regret that it was not made up of men of imagination who could chart new frontiers for agriculture, instead of gathering up the old shibboleths and putting them in a bag. Now, one by one, they are emerging, and we are looking at them. As Canadians, we can do better than that. In examining this bill, let us try to do better.

One cannot quarrel too much with the criteria used for this program. The availability of non-farm employment is a criterion. According to the document in my hand, Agricultural Adjustment or Development Policy, that is to be one criterion. In other words, when the department talks about the rate of adjustment from agriculture, it means that the criterion under which farmers will get another kind of job is the availability of non-farm employment. That is elementary, my dear Watson, elementary. The key phrase should not be the availability of non-farm employment, but the availability of opportunity. Other criteria listed are, the availability of training, the difference in skills required, the age and education of the operator, the availability of capital to finance relocation, the ability to liquidate farm assets, and so on. All the same, the most important criterion is the very first listed, the availability of non-farm employment. That is the first one listed and the most important.

Let me go on for a moment. Somebody slipped, I see, and on page 6 of this document we find the statement that the policies depend for their operational efficiency on the effectiveness of the first set of programs—those designed to increase the mobility of resources and to grease the wheels of the adjustment process. As I said, someone slipped and used basic English. May I refer to other aspects mentioned in this document. On page 9, I see reference to a rural counselling service required to assist the farmer and his family make the basic decision to continue in agriculture, and so on. The document also mentions farm management services—

Mr. Deputy Speaker: Order, please. I regret interrupting the hon. member who has the floor. The hon. member would be in order if he were relating his remarks to the question of farm credit, which, as the hon. member knows, is the subject now before the House. I suggest that his remarks should not range too widely from that subject.

Mr. Gleave: Thank you, Mr. Speaker. The bill deals with the subjects I have mentioned. The bill indicates that provision shall be made, after land has been sold, for an individual to remain on that land if he does not want to move away. The bill looks at that situation. May I point out, with all respect, that it looks at the situation in which

the farm operator is of advanced age and chooses to remain on the farm. In that case, he may retain some buildings and a small plot of land, and let somebody else work the farm.

If I understand the bill correctly, it also provides that the farmer may operate another enterprise on the farm in addition to what is regarded as a legitimate farm enterprise. I think I am right in saying that, and all these matters are part and parcel of the bill. The minister or the department, as the case may be, were quite right in producing the document I hold in my hand. I fully expect that it will be discussed in the House and in committee. If I am wrong, I hope the minister will tell me. May I go on record as saying that I believe it will be discussed. The matters mentioned in this document are well within the scope of this bill. There is a nice chart on page 10 which shows the direction one can go if one chooses either the course of farm development or the course of non-farm employment. This document suggests the amounts of money that will become available from the Farm Credit Corporation to help to make this sort of program possible. For instance, it will help to make farm counselling possible; the corporation will help to make farm management programs possible. That, I understand, will be part of the program.

It is envisaged that programs will be developed in cooperation with the provinces if possible or, if that is not possible, at the federal level entirely; these are to be farm management or farm advisory programs and their purpose is to assist the borrower obtain a better income pattern than he achieved in previous times. That sort of thing happened immediately after the second world war under the Veterans' Land Act or the veterans land credit program. I cannot remember the right name of the act. In those cases, management and advisory programs were tied in with the lending function so that assistance could be given to the borrower. At that time, the plan worked reasonably well.

Anyone aware of what happened in economics immediately after the war knows that between 1946 and 1956, roughly, a combination of circumstances arose such as the farmers of this country have rarely enjoyed. Prices for farm products rose steadily. The price of the farmer's produce was going up, while the price of those things the farmer had to buy was stable or increasing very gradually. Those conditions, combined with a good credit program, enabled farmers to make progress. Those who returned from overseas and decided to take up farming as an occupation were able to make real progress.

This afternoon I am trying to emphasize this: if this credit program is to be effective, the circumstances which existed in the postwar years must be recreated. Prices must increase enough to enable the farmer to keep up with the cost of production. Also, the government must act with regard to the cost of production and control within reasonable or practical limits, or even workable limits, the increases in the cost of the farmer's operation. Unless that is done, I suggest that the result in X number of years will be unfortunate. That is what I have tried to emphasize this afternoon, and it is most important for us to remember that. Conditions such as I have described are more important than mere quantities of money. The effect of those conditions may or may not be more important than the effect of the document in my hand. I agree that this document will have very, very important effects. I am sure that the minister and others who worked on it within the department also regard it as an important step forward in policy. I am sure they knew what they were doing and what they were proposing. I therefore hope that we give this measure and the policies involved the thorough examination and thought which they require.

• (1700)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, yesterday, the Minister of Agriculture (Mr. Olson) made a very clever presentation of Bill C-5.

This legislation purports to bring major amendments to the Farm Credit Act and I would like to thank the minister for his very appropriate explanations on the principles which have led to the drafting of this measure. If we consider but one of the provisions of this bill, I can say that although we are going backwards, we are, at the same time, "progressing". I say "progressing" because we seem to realize that the family farm should be encouraged and preserved if Canadian agriculture is to improve.

Mr. Speaker, I think it is the duty of every government to take all necessary steps to ensure that the most important industry of the country, namely agriculture, enjoys excellent health. All classes of society are interested in the well-being of agriculture and in farmers earning enough to live, not necessarily like millionaires, but at least decently in a country where this objective is attainable.

Now, Mr. Speaker, one of the clauses of Bill C-5 proposes to increase the Corporation's capital from $56 million to $66 million. I think that this is an unquestionable necessity. The questionable point on which I would like to draw the attention of the Minister of Agriculture is that if we recognize that farmers need credit to develop their operations and modernize their machinery, we should also recognize that they are entitled to an income such as would enable them to repay both principal and interests.

If we refer to the brief presented in April to the Prime Minister (Mr. Trudeau) and to the cabinet by the Canadian Federation of Agriculture—it should not be lies, as those people come from all parts of Canada and have met with party representatives to read this brief to them after presenting it to the cabinet—we can read, at the first paragraph—I quote:

> The present meeting comes after a year during which farmers have seen their profits go down to a disastrously low level—lower, in terms of dollars, than during any comparable year, and, in real terms, 73 per cent lower than it was 10 years ago. The forecast for 1972—let us hope that it will not come true—is for an even worse situation. The pressure due to the cost-price squeeze is becoming alarming and overwhelming to a degree never experienced before.

Authorized representatives of the farm industry throughout Canada are keeping a close check on markets and on the economic situation of agriculture, and take the trouble to come to Ottawa in order to make the government aware of a situation which could become worse unless steps are taken to correct it.

Hon. members will remember—as the minister referred to it in his comments yesterday—a highly disastrous situa-

tion which occurred in the dairy industry a few years ago. I remember being part of the group of industrial milk producers which came to Ottawa on May 15, 1967, to protest excessively low prices and to ask the government to improve its dairy policy. At that time, we had made representations, and the government had promised to introduce a long-term policy designed to improve the situation. To be quite honest, I must recognize that improvements did take place and that the situation of industrial dairy producers was much better in 1971 than in 1970. But it should not stop there.

When, in a field like the dairy industry, there is a trend toward improvement it should continue. Even yesterday I received a representation from a producer. It is all very well for the government to do its utmost to maintain prices, but the co-operation of the industry is also a requisite.

On March 29, I believe, the minister announced the new dairy policy for the year 1972-73 and, quoting from memory, I believe he mentioned that industrial milk would increase by 20 cents or more. I have here a notice sent to a producer, who forwarded it to me, which reads as follows:

On March 30 last, the federal government announced its dairy policy for the year 1972-73. The only change is an increase in the support price of powdered skim milk by 0.03 cents a pound.

In keeping with this policy and pending completion of negotiations for a new agreement now taking place with the Federalism of Industrial Milk Producers, we are increasing our basic price for BULK MILK, Grade A from $4.25 to $4.40 and Grade B from $4.12 to $4.27 per cwt.

The increase is of 15 cents only. I will be told that this is just pending completion of negotiations between producers and the Federation. However, knowing the facts I remember only too well—unfortunately—that in the past increases granted by the federal government did not always fully benefit the producers of industrial milk.

• (1710)

So, if you take the basic price of $4.25 and add the subsidy, you only get $5.50. This is what we were asking for when we made representations to the government in 1967. We got it, but production costs have gone up since then. The producers now get a better price but production costs have also increased to such an extent that the situation tends to deteriorate. I commend the members of the Canadian Federation of Agriculture for bringing this matter to the attention of the government.

In another agricultural field, we witnessed the disastrous situation faced by hog producers. I have called the attention of the Minister of Agriculture on this matter on many occasions and I admit that something has been done. But the fact remains that the Canadian Federation of Agriculture is asking the government to improve the lot of hog producers. Their resolution reads as follows:

(a) That the federal government in 1971 raise the level of support prices for hogs by 80 to 90 per cent of the five-year average and that payments be made twice a year and for all graded hogs; and

(b) That the Canadian Federation of Agriculture urge the Agricultural Stabilization Board to implement a stabilization program with holdbacks.

(c) In order to maintain a balanced supply and some stability in the hog industry, that the federal government make an extra payment of $20 per sow up to a maximum of 50 sows per producer to cover the period from July to December 1971.

[Mr. Lambert (Bellechasse).]

Having received many briefs and letters concerning this matter from producers in my constituency, I have promised them that I would avail myself of the first opportunity and bring their just claims to the attention of the government. I have here a petition requesting all their representatives to convey the mesasage to the government.

All of this to say that some sectors of agriculture were hit by a recession in 1971, and that a worse situation may be in the making for 1972. It is very nice indeed to consider increasing the borrowing ability of farmers up to $100,000, which, in some cases, may prove useful. But I think that we must take right now the necessary steps—and, if at all possible, imagine new ones—to ensure that the borrowers of today are the owners of tomorrow, and to provide them with the income which will permit them to reimburse their debt, both principal and interests.

To achieve this, half of their income should not be used to reimburse the interests on their loan. In its brief, the Canadian Federation of Agriculture has included a relevant proposal. As a member of this House, I have promised them to serve as their spokesman and, with the gist of their brief in mind, to invite the government to improve the situation in this area as well as in all the others.

In fact, the resolution reads as follows:

The Canadian Federation of Agriculture recommends the implementation of a comprehensive credit program at the federal and provincial levels in order to make available to farm operators short, middle and long term credit. This aim could be reached through a national credit co-operative system with two services: (a) a farm co-operative credit organization to help viable farm operations; (b) a credit service for rural development to help farmers who are trying to make a success of their business.

With regard to the interest rate, the Federation recommends the following, and I quote:

IT IS THEREFORE STIPULATED that the Canadian Federation of Agriculture is trying to obtain an interest rate, in respect of all loans granted by the Farm Credit Corporation or under the Veteran's Land Act, that will be established on a more stable principle and should not exceed 5 per cent.

Mr. Speaker, those are worthwhile recommendation that should be acted upon with a view to achieving the desired result, which is to enable farmers as well as egg, hog, poultry and beef producers, to meet their obligations, so as to maintain a constant balance between income possibilities and what is required of producers and distributors.

Mr. Speaker, the speech delivered last night by the Minister of Agriculture, there was something that pleased me and which will please, I think, a great number of people, because this problem is a recurring one. We had stressed it, I believe, when the Farm Credit Act was amended in 1968 or 1969. At any rate, I remember that we had drawn the attention of the Minister of Agriculture to this inadequacy in the act.

The minister said yesterday as reported on page 1843 of *Hansard,* and I quote:

—The amendment in this bill provides for a maximum of $100,000 to any farmer alone or jointly with others or in respect of a single farming enterprise. The size of individual farm units is increasing steadily—

I have some doubts about this, according to statistics. However, I would not give too much importance to this statement because, to be fair, one has to look fully into the situation and check whether such a statement is true or not or whether it is an actual fact.

I quote further:

—labour is being replaced in many cases by capital and the purchasing power of the dollar has decreased a little during recent years—

That merely confirms what I said a while ago, that the cost of production has increased alarmingly and that even though prices may have increased in the dairy industry, they have not done so at the same rate as production costs; this explains why many farmers cannot expand normally to achieve the level of production that would correspond to the equipment they must acquire to make up for the lack of farm labour.

We noticed that in many parts of the country when we visited it. We asked the farmers this "Why do you have so much equipment on your farm"? The answer was always the same "We cannot get enough help and must therefore use the most modern equipment to do the work at the right time of the season.

That is how farmers all across Canada ran into debt and why many of them had to give up farming because they were not getting the income needed to meet their commitments.

In another part of his speech, the hon. Minister of Agriculture said, and I quote:

The principle of relating loan ceilings to the number of farm operators rather than to the size of the business has proven in practice to be inequitable for individual farmers employing hired labour or people other than those with an equity in the farm unit. The principle has also proved inequitable, I suggest, in situations where the farmer operating his farm is assisted by sons or daughters of minor age, compared to two or more owner operators in a farming operation or a form of partnership. We want to correct that situation.

Mr. Speaker, I am very pleased with this statement and if we can really reach the goal mentioned in the statement I just read, I believe we really will have been most helpful to many farmers throughout Canada.

At any rate, I should like to say in concluding that as recently as this afternoon the Minister of Agriculture in his answer to a question stated that a small farm policy had been established for buying back and ensuring the maintenance of small farms.

Since we are often asked questions on this matter, I should like to know the full particulars of such a policy. I support the member who asked the question because it is very important for a member representing a rural constituency to be able to provide the required information that will help people find a solution to their problems as quickly as possible.

Thus the need to preserve the family farm, or the small enterprise is being recognized and even if it is not always possible to come to an agreement with departments of other governments, something will indeed have to be done. I do not like idleness. Give me action and give me progress.

Farm Credit Act

Today, Wednesday, May 3, there is a news item in the newspaper *Le Devoir* which somehow amazes me and I quote:

Farming in Quebec is ill mainly on account of conflicts between Ottawa and Quebec

Indeed, there have been quite a number of those conflicts between Ottawa and Quebec!

An hon. Member: —those damned conflicts—

Mr. Lambert (Bellechasse): I nearly said it myself—those conflicts have always been fought at the expense of the taxpayers, of the small farmers, of the small businesses.

I wish we would meet the challenge and stop creating fake conflicts. Instead, we should earnestly try and sit around a table and ask ourselves whether it is possible to initiate projects that could strengthen our agricultural industry in Quebec, in Ontario and indeed, in all the provinces and thereby bring happiness and prosperity to the farming community.

There is an excerpt from the article I started quoting and which cannot fail to disturb me:

The authors of this white paper, on the other hand, point out that almost 25,008 of the 70,000 Quebec farmers, that is 36 per cent, get permanent or temporary assistance from the Department of Social Affairs.

That is not very encouraging, and is evidence of a situation of which we cannot be proud.

I think that if we want to act positively, we must adopt legislation allowing those small enterprises to be self-sufficient. We must stop, at last, taxing citizens who are working day and night to accommodate some of our people who would rather remain idle and unproductive.

Those citizens will not accept it. They are proud people who rightfully expect their work to bring them the income they need to live decently, without having to rely on others.

• (1720)

Mr. Speaker, I think that the time has come for the government to establish a workable policy likely to assure the farming population of that which everybody wishes them for that matter, specifically, the possibility of living decently in Canada.

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as the House continues to study Bill C-5, to amend the Farm Credit Act, I am pleased to rise to take part in the debate with the hon. members who have already stated their views.

First of all, I wish to congratulate the hon. member for Bellechasse (Mr. Lambert) for a fine speech. Actually, I find myself in agreement with many of the views he expressed during the few minutes his speech lasted.

Since he referred to a matter of very great concern to me, specifically, the statement made by the Minister of Agriculture for the province of Quebec, Mr. Toupin, I should like to say to this hon. minister that a lot remains for him to do in his province and that, for instance, he should see to it that his credits—some $84 million—are

wisely spent, instead of minding the business of other levels of government.

I for one believe that when a minister is making such out of place and preposterous statements—as said my neighbor—as did the Quebec minister of Agriculture yesterday, those statements are quite offending. This simply reveals a certain weakness and the fact that he is using excuses to justify it.

I would like now to compare—although any comparison is unsatisfactory—the Quebec and Ontario agriculture budget. The Ontario agriculture budget is $20 million lower with twice as many farmers and a production twice as high as that of Quebec and yet the Ontario Department of Agriculture employs 6,000 fewer people than the Quebec Department of Agriculture.

So if we Quebeckers want to find the reason for the difficulties faced by Quebec farmers, we should not blame only Ottawa or the farmers of other provinces. We should begin by looking around us in Quebec, find out our weaknesses and correct them.

The hon. Mr. Toupin should first improve the laws of his province instead of commenting on what is done elsewhere. He is wondering whether the overlapping jurisdictions of both governments, provided for in the constitution, is wrong. If he says it is wrong, maybe it is. Perhaps the solution would be to have only one jurisdiction. If we should have only one jurisdiction it should be at the federal level as requested by many farmers I have met.

Having said this, I should like to refer to another comment the hon. member for Bellechasse made about the dairy policy. I know I am straging somewhat from the subject but since farm credit affects the production of various farm products I believe farm loan policy can certainly be related to production, and particularly to dairy production in the province of Quebec and throughout Canada.

The hon. member referred to the increase in income of Quebec dairy producers. In fact, they were much higher than in previous years. I quite agree that there should be further improvement.

However, the hon. member, when he indicated 1971 and 1972 incomes for the dairy industry a few minutes ago, omitted to mention a factor which I consider to be quite important: the extra bonus dairy producers receive over and above the set base price. Besides the $4.25, plus the $1.25 grant, the bonus received by producers should also be taken into account.

I personally read the report and the hon. member for Roberval (Mr. Gauthier) will be able to bear me out, since the Normandin Co-operative in his district paid out a bonus of $1.50 per hundredweight for the last three months of the year, over and above the base price. That is a fantastic achievement, for which full credit must be given to the Normandin Co-operative in the riding of Roberval and in the Saguenay area.

The present situation has also prevailed in other regions of Quebec where producers have actually received from their plants much more than the basic price, not taking into account the year-end refunds and the value increases also distributed by their firms.

[Mr. Lessard (Lac-Saint-Jean).]

I come back, Mr. Speaker, to Bill C-5 in order to determine more or less the objectives we are trying to pursue. This is a new step on the road of general improvement of our agricultural policy.

Mr. Speaker, the comprehensive aim of the amendments is to increase the Farm Credit Corporation's ability to meet the need for long-term credits towards the establishment of profitable agricultural enterprises and to give the corporation the necessary powers to perform such tasks or functions it might be entrusted with for the implementation of other programs.

The powers now vested in the corporation enable it to reach its aims and objectives, that is to make agricultural loans, to see to it that the law is implemented and to control agricultural credit transactions. The corporation employs a staff specializing in farm appraisal and evaluation of business transactions related to farm lands in any agricultural region of Canada.

The present amendment will enable the minister to draw upon such expert staff for the administration of whole or part of other programs such as the program of land transfers which is part of the small farms development and improvement program.

In accordance with the legislation now in force, the Minister of Finance (Mr. Turner) is authorized to pay to the corporation an amount of $56 million which when multiplied 25 times as provided in the legislation, will enable it to obtain enough capital to make loans to farmers.

But it so happens that at the end of 1972, the funds available under this act will be reduced to $245 million, so that the present proposal to increase the operating fund of the Corporation by $10 million, that is from $56 to $66 million, will allow, through the multiplication factor of 25, for an additional amount of $250 million. We believe that through this change, there will be sufficient funds available to cover demand for the next few years.

Anyway, this House sits regularly, and if additional funds came to be required I do not think we would hesitate to increase available funds then, for the farm industry has to pursue its objectives.

The amendment to section 16, Mr. Speaker, limits the granting of loans to Canadians or landed immigrants under the Immigration Act who own farm land, and the purpose of the proposed amendment is to allow the granting of loans only to assist people who are Canadian citizens or who intend to settle permanently in Canada.

The important point, Mr. Speaker, is that of the total amounts which can be loaned to farmers.

Under the existing act, there are, in fact, three classes of farmers, to whom different maximum amounts can be loaned. Those three classes are now going to be eliminated, as far as maximum amounts are concerned, and from now on all farmers will be able to borrow up to $100,000, depending on the security they can put and on the assessment which will be made of their property and of its potential productivity.

• (1730)

There is also another interesting point to consider, Mr. Speaker. Although the Corporation is allowed under the

Act to grant credits for the development of mortgaged lands owned by a secondary non-farming enterprise, the Corporation is not authorized to take into consideration any possible non-farming income derived from the farm in assessing the value of the land for the purpose of calculating the amount of the loans.

Therefore, an amendment will make it possible to take such factors into consideration in future, which means that we shall be able to increase the basis for the calculation of the amount of a loan, which is assessed at 75 per cent of the land yield. But in restricting the items which could be included in the cost benefit analysis, you obviously reduce loan possibilities and limit the maximum loans to be granted to farmers. By including other forms of income under this amendment, we shall enable farmers to qualify for larger amounts even on the basis of as restricted a unit.

There is another very important point, Mr. Speaker. In my opinion, it may be the most important of all. It is the removal of the age limit. Under the present act, one must be 21 years of age to apply to the Farm Credit Corporation for a loan. From now on, this age limit will be eliminated, and the age of majority prevailing in each province will apply. In some provinces, majority is at the age of 18, in others you reach majority at 19. In those provinces where the coming of age has not changed yet, the age limit will necessarily remain the same as is now prevailing in those provinces, that is, 21 years.

This will enable young farmers to obtain loans and to go into farming with their fathers or other people, or to invest and start in that field. This of course will not solve the problem which the young people are facing at the present time when they want to start farming. If they have no capital, it remains difficult, but through that amendment, we will surely make it easier for them and the number of young farmers who will definitely choose that calling and who will become owners will certainly increase. I am convinced of that, having met young farmers. Incidentally I would like to say to those who take a gloomy view of agriculture that after having heard all those criticisms, it is not surprising that they take such gloomy views. Recently, I attended a meeting where a group of farmers of my constituency were discussing farming problems. Unfortunately, I must admit it, the 50 or 60-year olds were rather pessimistic. However, four young men had remained silent throughout the evening. At the end of the evening, I asked them if they had no views to express, which they did. To my great surprise and satisfaction, of the four young men, aged 22 to 26, three were owners of their farms, and the fourth one worked on his father's farm. They all told me that they were very hopeful and happy to be engaged in agriculture, and that they would not change for another trade. They said "We see our relatives, our friends, who went to school and who today are stuck in the industrial society. We much prefer our trade of farmer, and we entertain great hopes for the future because we have a future to build, whereas our parents, who lived through difficult periods, recall the past and their difficulties instead, and have not, of course, many years ahead of them to build. They are rather pessimistic."

That pleased me and I can assure hon. members that they are not the only ones to see farming as a promising career in the future. Agriculture does have a future, and more and more young people will join the ranks of farmers and follow those who now live off the farm.

Here, I should warn those who take as sole basis the average age of active farmers. It is said that the average age of farm workers and farm owners in Canada is around 55 years. Obviously, such a situation is alarming, and justly so, but one forgets that, in this very special industry, often the son succeeds to the father or is presently employed by the father. The latter is the owner and he is the one who is considered when establishing the average age of the active farmer. But if we consider that his son, aged 22, 23 or 27 years, works with him in most cases and if we figure out the average age of the two persons occupied in agriculture, we soon realize that the average age is, in fact, much closer to 35 than to 55. That gives us greater confidence and allows us to consider the situation in a much more objective way.

Mr. Speaker, we hear criticisms of all kinds. Opposition members were saying earlier that the agricultural situation was disastrous. When considering statistics and various reports we can no doubt draw many conclusions. I can come to one, for instance, in reading the 1970-71 report of the Canadian Wheat Board. In Table No. 3, on page 3, dealing with the volume of grain products in the Prairies over the years, it is sure that I can come to a strange conclusion, for what it is worth, but one may that conclusion. Our colleagues opposite are drawing the very same kind of conclusion. According to a table, at the time the Conservatives were in power from 1957 to 1961 here is what happened. In 1956, the total grain production reached 1,202 million bushels. But, unfortunately, it happened that the Conservatives were in office during the seven lean years and here is what happened between 1957 and 1962: the production dropped from 1,202 million bushels to 784 million in 1957, then it went up to 824 million bushels in 1958, to 854 million bushels in 1959, to 970 million bushels in 1960, and dropped to 524 million bushels in 1961. A real record! This includes all grains. It is to be noted that there were only 260 million bushels of wheat. That happened at the time when the "Prairie experts", those who are in the opposition, who criticize the government, were in office for some time. If we consider their record, Mr. Speaker, we find it far from good!

In 1971, we have the highest figures ever reached in the last 25 years: 1,563 million bushels of grain were produced. Those are official figures.

Are conditions so bad in the Prairie provinces? Not as bad as that, but, of course, not as good as we would like them to be. I am sure the Minister of Agriculture is the first to wish the situation would be much better, and I am sure all members of the Liberal party as well as those of the opposition agree with him. Let us be realistic. To paint the situation in black as is now being done does not serve the profession in which they are engaged. Mr. Speaker, I blame them because their attitude, their constant criticisms about the agricultural situation tends to downgrade the profession in which they are engaged, as well as the people they claim to represent. As for me, I say the opposite: The situation is not perfect, but it is definitely better than the one depicted by members of the opposition.

Mr. Speaker, through the bill that we shall pass in a few days with the co-operation of all members, we shall cer-

tainly succeed in further improving the situation somewhat. It will gradually improve. We cannot expect drastic changes because too many production units are involved in farming. Various attempts were made to further help agriculture, for instance, through the Farm Products Marketing Council, and we know how difficult it was to have this legislation passed and put into our statute books. We are slowly building something and within a few years, our agriculture will be greatly improved, and we shall certainly be in a position to say that the Canadian government has introduced a long term agricultural policy, and that our farmers are considered as full-fledged citizens.

Several problems may give rise to some criticisms voiced by our friends of the opposition.

• (1740)

Last week Farm Credit Corporation chairman Owen appeared before the agriculture committee. Our friends opposite questioned him at length and one of our colleagues tried to emphasize the fact that farming conditions in Quebec were much better than elsewhere in Canada, quoting the fact that only 6 per cent of loans granted by the Farm Credit Corporation were in arrears, that is only 6 per cent of Quebec borrowers were behind with their reimbursement in comparison with 21, 24 and 25 per cent in the three Prairie provinces. They then drew the following conclusion: farming conditions in Quebec are clearly better than in the Prairies.

Mr. Speaker, it is a rather hasty analysis of the statistics, since in Quebec the circumstances are different; there is a Farm Credit Bureau which enables farmers to obtain credit at better terms. That is why very few Quebec farmers borrow under the terms of that federal act. Only big farmers do so in Quebec because they can then get additional amounts, greater than those granted by the province.

Quebec farmers do not have to borrow large amounts at the provincial level. Those who have large farms—and they are growing in number—borrow at the federal level. According to the statistics, $18 million were loaned last year to Quebec farmers, because there too farms are being regrouped. People need larger amounts of money and therefore turn in increasing numbers to federal sources of credit. That, in spite of our good friend, the hon. Mr. Toupin of Quebec, who would have us hand over all those amounts of money, that he might manage it and be sole judge in the matter.

Is the situation of the western farmer as critical as some would claim? I should like to quote a table published on page 37 of the report of the Farm Credit Corporation which gives the index of Canadian farm land values per acre, by province, during the last 20 years.

I shall not read the whole table, Mr. Speaker, but I shall give an idea of the increase in the value of agricultural properties.

In British Columbia, for instance, in 1951, one acre of land was worth an average of $110. In 1970, or 20 years later, it was worth $286.

In Alberta, for the same years, the figures were $112 then and $288 now.

In Saskatchewan, $117 in 1951 and $292 now.

[Mr. Lessard (Lac-Saint-Jean).]

In Manitoba, $117 also, and $233 now.

In Ontario, where a truly specific problem exists, land was worth $127 an acre in 1951 and after a fantastic leap it was worth $435 an acre in 1970.

In Quebec, from $125 there has been an increase to $249.

In New Brunswick, from $116 to $222.

In Nova Scotia, from $112 to $214.

In Prince Edward Island, from $115 to $196.

So, one can see that there is an increase in the value of the acre of land. One can see that Western farmers of course are sitting on a larger fortune than farmers in Ontario, the Maritime provinces and Quebec because their lands are much smaller which brings from our honorable colleague for Crowfoot (Mr. Horner) the comment that Western farmers live in poverty and die rich. It may be true that they live in poverty,—I am not in a position to judge—but I doubt if all of them live like the poor. When considering reports and the standard of living of Westerners, one realizes that some of them are drawing very good incomes.

So I am not prepared to say that they all live in poverty. But, Mr. Speaker, one thing is certain: they die a lot richer than farmers in the Maritimes and Quebec because of a considerably higher appreciation.

Only yesterday, I read in a newspaper that Americans are presently buying land in southern Saskatchewan, Manitoba and Alberta for twice the price normally asked on the local market. Therefore, the reason why land out West is worth that much, is because it can be put into production. Besides, it is said that it has value as an investment. If such is the case, the land situation in the Prairies is not as bad as we are led to believe.

Farmers are doing a disservice to agriculture in painting everything in such dark colours, in Canada, agriculture is rather healthy and it will become healthier in as much as we work together toward its improvement. I think this is the purpose of this bill and we will certainly achieve it with the co-operation of all members.

• (1750)

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, one finds oneself a little bit amused by the two tables which the hon. member for Lac-Saint-Jean (M. Lessard) used in defence of his argument. One of them had a great deal to do with production. He stressed that in such and such a period of time production was so much, but that under the Liberals in recent years production was so much more. He fails to take into consideration that weather has a lot to do with production. Further, in recent years farmers have been quick to use all the advanced technology to increase production, such as more efficient use of fertilizer, better seeding methods, and better farming methods in general. This all would tend to show that in latter years production has increased.

The hon. member then quoted from another table taken from the document on farm credit and related statistics put out by the DBS. It is to be found at page 37 of that document, and deals with the value of land. But he fails to realize that inflation plays a great part in the value of

land. He never took that into consideration. He suggested that land values had increased over 20 years. Shouldn't the value of land increase? Mr. Speaker, that was the only table in that book that he could have used to accurately illustrate conditions today. The hon. member was quite right when he said that all members of parliament should do what they can to aid agriculture, to help the farmers, and not just paint a black picture. I am attempting to do just that. I think that the amendment moved by the hon. member for Mackenzie (Mr. Korchinski) is a direct aid.

The hon. member for Lac-Saint-Jean also suggested that the average age of farmers today is over 53 years. I think I read somewhere that it is 58 years. It is high, Mr. Speaker. We must encourage more young farmers to enter the business. The hon. member went to a meeting and, in his own words, he said he was surprised to find that three or four young people at that meeting were in farming. I contend that this bill should be designed to encourage young people to go into farming, and the amendment moved by the hon. member for Mackenzie would do that.

The young farmer has a great deal to contribute. He has youth, energy, and the willingness to accept new ideas and changes that can help agriculture. We should make an all-out effort to encourage young farmers to stay on the land. The amendment proposes that where a young farmer under a certain age meets certain performance standards with regard to the repayment of a loan, a certain percentage of the interest would be forgiven. I think this would encourage young people to get back to the land. Under the terms of the bill a young farmer can borrow up to $100,000, but in the first year he would have to pay $8,000 interest. The amendment suggests that in certain cases payment of the interest could be deferred.

For a long time the Minister of Agriculture (Mr. Olson) was a Social Crediter. Since becoming a minister, he has forgotten about the evils of high interest rates. That is one of the things you have to forget. I point out that, under his jurisdiction, for two years the Farm Credit Corporation charged an interest rate of 8 per cent, or above that. The minister used to oppose high interest rates when he was a Social Crediter.

Mr. McKinley: But anything for power.

Mr. Horner: Yes, anything for power, as my hon. friend from Huron suggests. It is amazing what men will do for power. They forget all the concepts and ideas that they believed in for years.

This bill will do two things. It will allow the Farm Credit Corporation to make larger loans to individuals, in fact loans up to $100,000, and it will allow it to make loans to non-farmers and to farmers whose principal occupation is not farming. The minister shakes his head to indicate disagreement. I do not know who else is going to carry out this small farms program. Certainly, that is one of the criteria in the small farms program. I read that in the fancy document which was put out by the minister on March 8, 1971. Mr. Speaker, a full year has gone by since then, and he has not sold this idea to any province. But he says that even if no province accepts it, he is going to proceed with it.

I wonder what is wrong with this idea. Apparently he has permission to implement it. His estimates are passed. He has already spent money under this program. We are told that it will cost $150 million in five years.

Mr. Lessard (Lac-Saint-Jean): Seven years.

Mr. Horner: In seven years, then. The minister cannot blame the hon. member for Crowfoot for holding up this legislation.

Mr. Olson: I never tried to.

Mr. Horner: The program has been established for over a year, and no province has accepted it. What is wrong with it? I see that it is nearly six o'clock, Mr. Speaker, so perhaps on another occasion when this legislation is before us he will be able to explain why he has not been able to sell it to the provinces.

There are many things that could be changed in the Farm Credit Corporation management that would alleviate a lot of the difficulties affecting farmers across Canada. The hon. member for Lac-Saint-Jean suggests that there are too many production units in agriculture, and he says that is why there has not been any success. He agrees with the Minister of Agriculture. The minister makes a bold statement that small farmers have got to go. I have a newspaper clipping here somewhere.

Mr. Olson: I never said that.

Mr. Horner: This is the Calgary *Herald* of Saturday, May 8, 1971. It says, "Olson seeks to reduce number of small farms."

Mr. Olson: I never wrote the headline.

Mr. Horner: I see it is six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Order. It being six o'clock, this House stands adjourned until tomorrow at two o'clock.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 4, 1972

The House met at 2 p.m.

ROUTINE PROCEEDINGS

STATUS OF WOMEN

TABLING OF PROGRESS REPORT ON ROYAL COMMISSION RECOMMENDATIONS—STATEMENT BY MINISTER

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, pursuant to Standing Order 41(2) I would like to table two documents, one in English and one in French, which in reality are progress reports on the recommendations of the Royal Commission on the Status of Women.

When the report of the Royal Commission on the Status of Women was tabled in the House in 1970 there was much to be done in creating equal opportunities for and removing discrimination against women in Canadian society. The government set up an interdepartmental committee on the status of women to analyse the recommendations of the royal commission and to determine the best ways that the government should proceed with these recommendations. Mrs. Freda L. Paltiel was seconded from the Department of National Health and Welfare to be co-ordinator of the committee. This interdepartmental committee was composed of representatives from various departments and agencies. Its report was submitted to me in December, 1971. The report of the royal commission consisted of 167 recommendations, many of them falling under the jurisdiction of the federal government, some falling under the jurisdiction of the provincial governments, some joint federal and provincial and others under the jurisdiction of business and industry.

• (1410)

The federal government has taken significant action both administratively and legislatively with regard to the recommendations under its sole jurisdiction and in doing so has played a more important role in leadership. In the Status of Women in Canada 1972 booklet, reference is made to the work done by the federal government. But our work cannot stop with our many accomplishments. We must make more and more significant advances until every man and woman in this country will have equal opportunities in every field of endeavour. The booklet I am tabling is a signpost but not a resting place and we must continue to work together as Members of Parliament and as Canadians to ensure equality for all in our country.

With your permission, Mr. Speaker, I should like to draw your attention to some of the highlights of the report.

The Canada Labour (Standards) Code has attempted to remove discrimination in employment. The Women's Bureau of the Department of Labour has provided an invaluable service to women who work.

The Unemployment Insurance Act provided universality as well as better protection to women in the work force. The government has provided maternity leave under the Canada Labour (Standards) Code and maternity benefits under the Unemployment Insurance Act.

A new family planning division has been set up in the Department of National Health and Welfare to co-ordinate federal endeavours in the field of planned parenthood.

National Health and Welfare, Treasury Board, the Solicitor General and Manpower and Immigration have created senior positions for women in their departments to give advice on programs and activities with regard to women in their mandates.

The Local Initiatives Program, among other accomplishments, has established approximately 90 day-care centres across Canada. Child care allowances are now a deductible expense under the Income Tax Act.

The bill to amend the Adult Occupational Training Act which received first reading last week in the House of Commons will provide women who have worked one year at any time in their lives the opportunity to receive training as well as training allowances for the first time.

An equal employment opportunity office has been set up in the Public Service.

The cabinet has issued directive No. 44 directing deputy ministers to take steps to encourage the assignment and advancement of more women into middle and upper echelon positions.

The Family Income Security Plan, which has now passed second reading in the House of Commons, would provide increases in benefits to low-income families and assist sole support mothers.

The government has also paid special attention to the needs of native women in its supportive training programs and leadership development.

Major grants have been given to planned parenthood federation of Canada and Serena.

The federal government has also recently helped finance the Strategy for Change conference involving women's organizations from across Canada.

Women's groups across Canada, studying the report, have received, when needed, financial support.

The government actively continues to seek out competent women for appointments to boards, commissions, judgeships and other senior posts.

Finally, amendments have been introduced to the Criminal Code to include equal jury duty for men and women in criminal cases. These amendments propose also to remove the anachronistic vagrancy clause as well as whipping as a penalty, which is sex discrimination in reverse.

Mr. Speaker, I shall close my remarks by reiterating that the government does not intend to stand still. We shall strive to work towards elevating the status of women in Canada to the point where discrimination by reason of sex will be a thing of the past.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am delighted to have this opportunity to reply to the minister's statement even though the statement is late. The report of the Royal Commission on the Status of Women was tabled, I believe, in December, 1970, and for the life of me I cannot understand why it has taken the government until May, 1972, to give us some idea of their views on it.

Mr. Stanfield: That is quick for them.

Mr. Alexander: I say with the greatest of respect that this statement perhaps indicates that we are not too far from an election because the government has now said that it has some interest in women.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Alexander: I also wonder, if the minister has had this report in his possession since December, 1971, why the Women's Liberal Association suddenly met with him yesterday and immediately after that meeting we have a statement by the government. I think more people are involved with the status of women than those in the Women's Liberal Association.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, I want to go on record as saying that among the women of Canada, and I have said this before, are women of skill. We have not drawn on their skills sufficiently. It has not been recognized that among our women there is a reservoir of skills which certainly can play a meaningful role in the development of our Canadian way of life.

Some hon. Members: Hear, hear!

Mr. Alexander: May I say that for our people in 1972 Canada must not only be a land of opportunity but a land of equal opportunity, and that means equal opportunity for all individuals regardless of race, creed, colour or sex.

Some hon. Members: Hear, hear!

Mr. Alexander: I do not know why, in a statement of such importance, the minister evaded one of the most important issues facing women today, the issue of abortion. It seems to me that for one reason or other the government is deliberately avoiding facing this issue. The abortion rate is going up continually. Women are in dire financial straits. As I understand it, the government has indicated that it will set a date when abortion can be debated in the House. Why was this not mentioned in the minister's statement?

Another area I ought to mention is the LIP program. With all due respect, it seems to me that the LIP program serves the interests of women who have reached the secondary level of education. What happens to those women who have not reached that level of education and really need help but have not been helped by the LIP program since it affects those with a secondary level of education?

I am pleased to note that the government is moving in the area of fair employment practices. That is a step in the right direction. I understand that the Minister of Labour (Mr. Mackasey) intends to bring in amendments to remove bias in employment on grounds of age, sex and marriage. This step must be taken if we are to be consistent and give everyone an equal opportunity.

I am disturbed that the minister although he boasts of the family planning division which has been set up to co-ordinate federal endeavours in the field of planned parenthood, nowhere in his statement mentions co-ordination of plans with those provinces and municipalities in which competent but overworked birth control and family planning clinics already exist. One of the more important omissions is that abortion was not placed before the minister.

I should like to say a word about another area which I think deserves immediate consideration, that involving those women who belong to the group making up Canada's first citizens. They live in deplorable conditions. They seem to be the forgotten part of our culture. I hope the government will pay sufficient attention to the needs of native women and show leadership in the development of certain programs of benefit to them, particularly in the field of health care. That is an area into which we must move because there is great necessity for such programs.

I have not read the booklet the minister tabled. We shall see what is in it. I hope the statement he made was not made for political reasons. I hope the statement was made to show the government's genuine concern about the status of women.

May I pay tribute to the woman who, I think, has had a great deal to do with the thinking of the government in these matters, Miss Sylva M. Gelber, Director of the Women's Bureau, Department of Labour. She seems to have her finger on all these problems. I believe it is an extremely difficult job for her alone to bring significant points to the attention of not only members of the House of Commons but also of the people of Canada.

• (1420)

I believe that electoral reform must come in order that more women can be candidates for membership in this august House, not because they are women but because they have compassion, understanding, experience, wisdom and expertise that this House can certainly use.

Some hon. Members: Hear, hear!

Mr. Alexander: I see that Your Honour is getting a little impatient. There is quite a bit more I could say. We will

keep our eyes on the government daily in order to see whether this is a genuine move. I will close by reading a portion of a speech by Miss Sylva M. Gelber on November 10, 1971, to the Canadian Federation of University Women. After having related in some detail the summary of progress that had been made in terms of women, women's rights and legislation affecting them, she closed her speech with this extremely significant paragraph:

> From this short summary of the progress made in the enactment of legislation relating to working women, it will be seen that, at long last, the laws required to achieve the goal of equal and fair opportunity for women, are beginning to appear across the land. But the law is merely a tool; and a tool is of little value if it is not used. And even if the tool is used, it is only of value when it is properly used.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I am very glad to be able to respond on behalf of our party to the statement just made by the minister in charge of raising the status of women. I am glad the article in *Chatelaine* with the questionnaire appeared at this time. I cannot help feeling that it gave a little extra impetus to the production of this statement.

When the report of the royal commission was tabled it provided Canadian women at once with a bible of their rights and a blueprint as to some of the ways in which action must be taken for them to reach the promised land of equality. What does this statement disclose? It discloses that there have been several measures of real substance achieved. I have made reference to these before. The two most important have been under the aegis of the minister now in charge. They are maternity leave under the Canada Labour (Standards) Code and maternity benefits under the Unemployment Insurance Act. More recently there have been amendments to the Criminal Code with regard to women serving as jurors, the abolition of the vagrancy section and one or two other points. Within the Department of National Health and Welfare, there has been the establishment of grants for family planning across this country.

Some pious hopes have been expressed about how the government intends to encourage the appointment of more women to senior posts in the public service. However, apart from token positions where women have been so outstanding that they could not be ignored, these hopes have not been anything more than expressed. One of my colleagues has just made the rather regrettable suggestion that even at this stage there are many members—"MCPs", they might be called—not paying the attention they might at this time. On behalf of the women of Canada, I ask them to listen.

Some hon. Members: Explain "MCPs".

Mrs. MacInnis: I will not compete with the Prime Minister (Mr. Trudeau) in that department. As far as the major recommendations of the Royal Commission on the Status of Women are concerned, there has been no action or only microscopic action taken to this point. The major recommendation was for child care centres across the country. While this is obviously a shared responsibility with the provinces and municipalities, the federal government has a tremendous responsibility to fulfil.

[*Translation*]

Hon. members on my left could perhaps calm down a little so that I may be heard.

[*English*]

The only mention of this matter in the statement today is that under the LIP program the federal government has helped to establish 90 day-care centres across the country. I would point out, however, that the LIP program is due to end on the 31st of the present month, and you know, Mr. Speaker, what will happen to most of these centres when the grants end. My other comment is that the Royal Commission on the Status of Women said that there is need for 130,000 day-care places immediately. So this is one big piece of unfinished business.

Reference was made to child care allowances. The recent legislation provided for only about half the amount of income tax deductions which is essential if children are to be looked after, and even this minimal concession is hedged about with demands for receipts, the keeping of employer records, and so on. There are many whose wages are not high enough to enable them to qualify for this tax deduction. The report of the royal commission calls for a guaranteed annual income for "single support" parents as the beginning of a guaranteed income across this country for all Canadians.

In regard to the Adult Occupational Training Act, I am glad to learn that women are to be allowed to qualify. The minister told us that women would be eligible provided they had worked for one year at any time in their lives. I should like to know how many women have not worked for one year at any time in their lives.

Some hon. Members: Hear, hear!

Mrs. MacInnis: In other words, will the new act apply to housewives or not? Are they considered to have worked one year in their lives? The minister nods. That is good. I hope *Hansard* will report the nod.

Work on education in the field of planned parenthood has been started and there are already 66 family planning centres across Canada. I would point out, though, that according to experts in the field we need 700 of these centres to give information and advice on family planning. There is also a need for information on abortion as a second line of defence against unwanted pregnancy, as the hon. member who preceded me has indicated.

As for the Family Income Security Plan, we in this party have pointed out that it will take from one-third of our mothers even the little cheque they now receive. They will have to give it to those who are living in poverty because the government has not the courage to institute a fair tax system so as to obtain the necessary revenue from other sources.

Some hon. Members: Hear, hear!

Mrs. MacInnis: Women are sending me letters which prove they are well aware that the fair taxation potential exists. I am watching the clock, Mr. Speaker. The first speaker on this subject took six minutes, the next took seven, and I have spoken for just six minutes so far.

I am afraid the government has laboured mightily in its mountain of red tape and given birth to a very small mouse indeed compared with what is necessary. It is to be hoped that the women of this country will not relax their endeavours but push the minister and the mountain to proceed at a much faster pace toward the goal of equality for women than they have shown up to the present time. Women are grateful for what they have got but, like Oliver Twist, they intend to keep on asking for more.

• (1430)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, the list of the government's actions with regard to the status of women is supposed to be impressive according to the Minister of Manpower and Immigration (Mr. Mackasey), but, as stated by previous speakers, such a list has a strong pre-election flavour.

Of course, we approve of all measures to ensure true equality between men and women in this country, but, when that day has come, there will be no need to speak about the status of women. And, as this is being done today, it is an indication that we are far from having reached that objective.

In conclusion, Mr. Speaker, may I quote part of a speech I made on that subject on March 9, 1971, as follows:

> However, I feel we should do a lot more to speed up the process of emancipation and progress of Canadian women. On the basis that there is to be no difference between man and woman apart from the physiological point of view, one is entitled to wonder why practically all management and legislative activities are carried out exclusively by men.
>
> Obviously, if the true principle of democracy were to be integrally applied in this House, half of our representatives would have to be women since the population of any country is divided somewhat equally into males and females. Fortunately, the hon. member for Vancouver-Kingsway (Mrs. MacInnis) is here to save a small fragment of democracy.
>
> This situation would be corrected by effecting a new distribution of the Commons seats. Canada could have some 150 constituencies represented by both a male and a female member. Then the absolute equality we are seeking would thus be achieved at the parliamentary level.

Some people will laugh at this suggestion but when we see so many men apparently lost in a maze of thoughts which are more or less constructive, I wonder whether the practical way of thinking and action which characterizes women could not bring a little more efficiency to the business of this House.

* * *

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT IN CAPE BRETON—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I request the unanimous consent of the House to propose a motion on a matter of the most urgent and pressing necessity. This matter concerns the results of a recent survey conducted by the Metro Alliance for Development, a Sydney, Nova Scotia-based group funded under the federal government's LIP program which, in its report of April 21, 1972, estimates that the real rate of unemployment on Cape Breton Island was in the 29 to 31 per cent range during the February-March period of this year, an increase of 5 per cent from the same period last year.

Recognizing the tragic human and economic effects of such a persisting and drastically high unemployment rate on the morale and human dignity of Cape Bretoners, I move, seconded by the hon. member for Cape Breton-East Richmond (Mr. MacInnis)—and I might add that I am sure we will have the endorsation of the government House leader, the hon. member for Cape Breton Highlands-Canso (Mr. MacEachen):

> That this House refer to the Standing Committee on Labour, Manpower and Immigration, the recent report of an unemployment survey on Cape Breton Island, conducted by the Metro Alliance for Development, in order that the four major recommendations proposed by the report may be studied, evaluated and acted upon as soon as possible, to ameliorate this most deplorable and destructive unemployment situation.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Cape Breton-The Sydneys. Under the terms of Standing Order 43 this motion requires the unananimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

DRUGS

NON-MEDICAL USE OF DRUGS DIRECTORATE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Frank Howard (Skeena): Mr. Speaker, pursuant to Standing Order 43 I seek leave of the House to move a motion of urgent and pressing necessity. In explanation thereof may I preface it by saying it relates to the revelation by the Royal Canadian Mounted Police of a staggering increase in the availability, use and illegal possession of psychotropic drugs which took place during the time the drug abuse program of the federal government was in effect. It relates to the freezing of the budget of the non-medical use of drugs directorate and the fact that the minister has ignored the views of the British Columbia and Nova Scotia medical associations with regard to treatment—

Mr. Speaker: Order. The hon. member knows he cannot argue in support of the motion he is proposing to the House. He should indicate briefly what the motion is that he proposes for the consideration of the House.

Mr. Howard (Skeena): You anticipated me precisely, Mr. Speaker. I had just reached that point. Because of the resignation of the director of the non-medical use of drugs directorate, Dr. W. F. Craig, I therefore move, seconded by the hon. member for Timiskaming (Mr. Peters):

That the Standing Committee on Health, Welfare and Social Affairs be authorized to inquire into the activities of the non-medical use of drugs directorate with particular reference to the reasons for the resignation of the director-general of that directorate, Dr. W. F. Craig.

Mr. Speaker: This motion also requires the unanimous consent of the House as it has been submitted under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Mr. Howard (Skeena): Mr. Speaker, may I rise on a question of privilege. I submit that the Minister of National Health and Welfare should not have been obliged to say no to that particular motion as he did.

Mr. Speaker: Order, please.

* * *

[*Translation*]

FOREIGN TAKEOVERS REVIEW ACT

MEASURE TO CONTROL FOREIGN TAKEOVERS OF CANADIAN COMPANIES

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce) moved for leave to introduce Bill C-201, to provide for the review and assessment of acquisitions of control of Canadian business enterprises by certain persons.

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

• (1440)

[*English*]

ORAL QUESTION PERIOD

INDUSTRY

ACTION TO ESTABLISH PROPORTION OF SENIOR POSITIONS IN COMPANIES OPERATING IN CANADA TO BE FILLED BY CANADIANS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Industry, Trade and Commerce regarding the participation of Canadians in companies operating in Canada. Does he intend, either directly or in co-operation with the provinces, to establish guidelines relating to the proportion of senior positions in companies operating in Canada which should be filled by Canadian citizens?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, only time will tell how the screening process will be operated, but there are many factors to be considered in making decisions, indicated in the legislation. As my hon. friend probably knows, there is

an item called participation, and the question he raises would obviously come under that heading.

Mr. Stanfield: Mr. Speaker, the minister's answer relates only to negotiations in respect of takeovers. I am asking him whether he intends, either directly or in conjunction with the provinces, to establish a guideline regarding the proportion of senior management positions in companies operating in Canada which should be filled by Canadian citizens?

Mr. Pepin: Mr. Speaker, the statement made the other day by the Minister of National Revenue contained a paragraph indicating that other ideas were being explored in this regard.

An hon. Member: Oh, let's have an answer.

Mr. Stanfield: Mr. Speaker, I take it the answer is that the minister has no such intention. I should like to ask either the same minister or the Minister of Consumer and Corporate Affairs whether it is the intention of the government, either directly or in association with the provinces, to establish any legislative requirements relating to the proportion of directors of companies operating in Canada who must be Canadian citizens?

Hon. Robert K. Andras (Minister of Consumer and Corporate Affairs): Mr. Speaker, we have not examined that in my department other than addressing ourselves to responsibilities and powers of corporation directors, as was indicated in the draft competition Bill C-256 which the hon. member knows does not deal with the nationality of directors.

ROLE OF INDUSTRIAL DEVELOPMENT BANK—ACTION TO IMPLEMENT RECOMMENDATIONS OF FOREIGN OWNERSHIP TASK FORCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance who may be in a more constructive mood. In view of the recommendation in the report of the task force on foreign ownership in Canada that the government review the role of the Industrial Development Bank regarding the venture capital situation for small companies, has the minister reviewed this legislation and does he intend to introduce an amendment with a view to carrying out the recommendations of the task force in this regard?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are reviewing these recommendations very carefully. I am not in a position yet to tell the hon. member whether the implementation of them, if we were to decide on that, would require amendment of the legislation.

MEASURES TO PROMOTE INDUSTRIAL RESEARCH AND DEVELOPMENT

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary for the Minister of Industry, Trade and Commerce. In light of the finding by Statistics Canada that the level of industrial research and development in 1972 will show little real growth since 1969, are new measures being prepared to accelerate and assist industrial

research and development and, if so, when can we expect a statement to be made?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the budget of my department, contrary to those statistics, indicates that the degree of research and development done across the board in Canada with the support of my department is increasing. If my friend wants to look at my estimates he will witness that fact.

* * *

REGIONAL ECONOMIC EXPANSION

OMISSION FROM MONTHLY REPORT OF GRANT TO McCAIN'S FOODS

Mr. John Burton (Regina East): Mr. Speaker, I should like to direct my question to the Minister of Regional Economic Expansion. In view of the fact the minister undertook to investigate a serious omission from his monthly report to parliament of a $6.1 million grant to McCain's Foods, and in view of the reported unavailability of the minister to appear before the standing committee until May 18, will he inform the House now why this information was not provided as required under section 16 of the Regional Development Incentives Act?

Mr. Horner: That was the third grant to McCain's and they were the bagmen in New Brunswick for the Liberal party.

Mr. Speaker: Order, please.

Mr. Horner: They were the bagmen for the Liberal party in New Brunswick and that is the third grant they got from the Liberal party.

Mr. Marchand (Langelier): I don't understand—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I would request hon. members—

Mr. Horner: That is true and you know it is true.

Mr. Speaker: Order, please.

Mr. Horner: You are not denying it.

Mr. Speaker: Order, please. I recognize the hon. member for Regina East.

Mr. Burton: Mr. Speaker, I wonder whether the minister could be given the opportunity to respond to the question.

Mr. Horner: Are grants only for Liberals?

Mr. Speaker: Order, please. This shouting across the floor—

Mr. Ricard: Act like a minister.

Some hon. Members: Oh, oh!

[Mr. Crouse.]

Mr. Horner: Is the Liberal party that broke in New Brunswick?

Mr. Speaker: Order, please. Perhaps we might wait—

An hon. Member: It shouldn't be.

Mr. Speaker: Order, please. The minister will be recognized for the purpose of replying to the question when the noise has subsided and the Chair has a chance to hear the reply.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, it was agreed that I would go before the committee again. In my opinion it is not fair to say that I delayed because the last time I was there it was understood that it would be the last. I intend to go back and I will be pleased to give the information requested by the hon. member.

[*English*]

Mr. Nielsen: Answer the question.

Mr. Burton: Mr. Speaker, I rise on a question of privilege. The minister agreed the last time we were before the committee to provide the information to the committee and indicated he thought he would be available this week to appear before that committee. What is the matter? What is he hiding for?

Some hon. Members: Oh, oh!

* * *

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—RESIGNATION OF MR. BUREAU—STUDY OF CRITERIA BY HOUSE COMMITTEE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Secretary of State.

Mr. Bernard Bureau, project officer for the Ottawa area, having resigned as a result of political interference in the selection of Opportunities for Youth projects, would the minister now be willing to submit for examination by hon. members, that is by a committee of the House, the practical criteria used in the selection of projects approved under the Opportunities for Youth program?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the criteria used in the selection of projects are those which were sent to hon. members. I am surprised the hon. member should ask that question since he has already had those criteria for two months; had he wanted to study them, he would have had every opportunity of doing so.

An hon. Member: He was not here.

REQUEST FOR INQUIRY INTO ACCUSATIONS OF POLITICAL INTERFERENCE

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a supplementary question.

Due to the charges of political interference at the decision making level, would the Secretary of State undertake

to have an investigation made on behalf of the House, in order to check the truth of those facts or charges?

Mr. Pelletier: Mr. Speaker, the truth of those facts is quite easily summed up and requires no investigation. Out of 970 preselected projects in Quebec, 39 have been rejected as a result of consultations with members from all parties.

Two types of considerations were taken into account in those consultations: firstly, to make sure that there was no project liable to be used for partisan purposes by any party whatever, and, secondly, to secure the opinion of the people's representatives in this House on the usefulness of the projects for the community.

Mr. Fortin: Mr. Speaker, I should like to ask a supplementary question.

Can the minister then explain, since he has just stated that he asked the advice of various members, why in the Richelieu constituency the only projects accepted are from Bécancour while the remainder of the constituency has been neglected, according to the member for that constituency?

* * *

[*English*]

INDUSTRY

CHEMICALS—MEASURES TO ASSIST—REQUEST FOR STATEMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the very great concern expressed recently by the Canadian chemical industry regarding the future potential of that industry because of conditions existing in this country and in the world, and the need for positive government action to get that industry going again, has the government any positive suggestions to put forward to help the industry and, if so, will the minister take the first opportunity on motions to outline what they are?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, we are, of course, aware of the difficulties of the chemical industry and efforts are being made to help it. I am personally aware of two important projects now being explored. The government is providing all the support it can.

Mr. Hees: Mr. Speaker, has the minister considered the very real apprehension of the industry regarding the possible effects of the DISC program on its future, and has he been able to make any positive suggestions to the industry as to what help the government can give if this does become a real problem?

Mr. Pepin: Mr. Speaker, the Canadian government's reaction to the DISC program, as indicated previously by the Prime Minister, other ministers and myself, will be announced in due course.

Inquiries of the Ministry

TRADE

REPRESENTATIONS TO UNITED STATES GOVERNMENT AGAINST BURKE-HARTKE BILL

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In light of increasing United States' use of DISC and increasing support for extensive import quotas in the United States, particularly by the AFL-CIO, is the government going to seek assurances from the United States government that it will not support the protectionist Burke-Hartke trade bill or similar measures?

• (1450)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Our views on the Burke-Hartke bill are well known. It is obviously the most protectionist bill in the history of the United States, so far as I can remember. It is supported unfortunately by some labour unions in the United States, and we wish that the Canadian unions would make their views known to their counterparts in the United States. Our views on that bill are very well known and one can well imagine what they are. They are extremely unfavourable.

Mr. Ryan: My supplementary question is directed to the Prime Minister. Is the government taking action to upgrade the role of the Canadian embassy in Washington in explaining and protecting Canadian interests at this very crucial time?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not see how we can upgrade the status of the Canadian embassy in Washington. It has always had a very high status.

UNITED STATES DISC PROGRAM—INTENTIONS OF CANADIAN AUTOMOBILE MANUFACTURERS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. As the minister knows, the United Auto Workers Union has opposed the Burke-Hartke bill to which he referred. In view of the fact the minister is meeting with the president of the Chrysler Corporation this afternoon at 3.30 p.m., would he obtain from the president of that corporation during that meeting his intentions regarding the DISC legislation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Indeed I am meeting with these gentlemen, but I wish my friend would not publicize the hour. It is not fair.

Some hon. Members: Oh, oh!

Mr. Pepin: Mr. Speaker, these gentlemen are entitled to see ministers in the way they want and at least without the press at the door.

Some hon. Members: Hear, hear!

Mr. Pepin: We are meeting with these gentlemen and, as I said, Chrysler Corporation has not to my knowledge applied for DISC company status in the United States.

Mr. Broadbent: Would the minister be in a position now to inform the House as to the intention of the General Motors Corporation in Canada vis-à-vis DISC?

Mr. Pepin: I will have to ask my hon. friend for some patience. I have said a number of times that I would be meeting these companies today and on other days of the week and that I will be reporting fully to the House at the next opportunity, which appears to be the debate on the budget.

* * *

INDUSTRY

REASON FOR EXPANSION OF OPERATIONS BY VERSATILE MANUFACTURING LIMITED IN UNITED STATES RATHER THAN MANITOBA

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the fact that Versatile Manufacturing Limited has decided to expand its operations in the United States rather than in Manitoba, can the minister inform the House whether his officers have met the officials of Versatile Manufacturing to determine whether the decision was taken as a result of the United States DISC program or because of the taxation policies of the federal government or the policies of the Manitoba government?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, Versatile has had a subsidiary in the United States for the last ten years. They have now decided to expand that operation in the United States. They have held conversations with Premier Schreyer and with officers of my department and they say that the DISC program was not taken into consideration in the upcoming expansion.

Mr. Mazankowski: Can the minister advise the House whether his officials have undertaken an investigation and have had discussions with the officers of Versatile with a view to determining whether indeed the DISC program did have an effect on the decision?

Mr. Pepin: Mr. Speaker, I just answered that question by saying that the company officers say that it has not had any influence. I cannot swear on their behalf that it did not, but that is the information they have provided to us.

* * *

LABOUR CONDITIONS

FORECAST OF UNEMPLOYMENT LEVELS TO END OF 1973 BY UNIVERSITY OF TORONTO INSTITUTE—GOVERNMENT POSITION

Mr. David Lewis (York South): My question is directed to the Minister of Finance, Mr. Speaker. I gave him notice of the subject matter. Can he inform the House whether his department has received as yet the quarterly unemployment forecast from the University of Toronto Institute for the Quantitative Analysis of Social and Economic Policy, dated April 26, 1972, which projects seasonally adjusted levels of unemployment in excess of 6 per cent to the end of 1973, and unemployment as high as 6.3 per cent—

Mr. Speaker: Order, please. The hon. member knows that the purpose of a question is not to convey information but rather to seek information. I would think that perhaps the first part of the hon. member's question, for the time being anyway, might be to the point and the minister might be allowed to reply to that part of the hon. member's question.

Mr. Lewis: I was almost finished, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member might allow the minister to reply to his question. If he seeks further information he may ask a supplementary question.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I did not know whether the hon. member was finished. I rather thought he was.

I want to thank the hon. gentleman for giving me notice of his question. Unfortunately I just received it when I came into the House. Recently my department received this forecast, which I understand is a preliminary forecast only. It is now being studied by officials in my department. I might say to the hon. member that we constantly receive the results of a variety of forecasts and we are continually analysing and comparing them with our own economic model. Whatever forecasts I give, I will give on Monday night.

Mr. Lewis: In view of the level of unemployment forecast for 1973 as I have indicated and the level of 6.3 per cent for the last quarter of this year forecast by the institute, do these forecasts vary significantly from the forecasts made in his own department regarding unemployment levels in 1972 and 1973?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, forecasting depends on the assumptions you make, and I should like to compare those assumptions with our own before giving an answer to the hon. member's question. But it is something I might deal with.

Mr. Knowles (Winnipeg North Centre): Are you assuming an election?

Mr. Lewis: May I ask the minister a question arising out of the fact that on a number of occasions he has said he is not in the business of forecasting, which I presume also applies to the department that advises him. If that is the case, what exactly is the forecasting unit numbering some 36 people in his department doing and how much is it costing the taxpayers to have a forecasting unit that does not forecast?

Mr. Speaker: Order, please. I suggest that that is argument. If the hon. member is actually seeking this information, the question might be placed on the order paper.

Mr. Lewis: I have a further short supplementary question, Mr. Speaker. Do I gather from the minister's answer that he has made an undertaking to the House that in his budget he will deal with forecasts of the levels of unemployment in 1972 and 1973 and that since he refused to deal with my questions now he will definitely deal with them in his budget speech? Is that an undertaking to the House?

Mr. Turner (Ottawa-Carleton): I will talk about the art of forecasting on Monday night.

UNEMPLOYMENT IN ATLANTIC PROVINCES—ACTION IN LIGHT OF CAPITAL INVESTMENT FORECASTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion who no doubt is familiar with the alarm expressed by APEC regarding the unemployment outlook in the Atlantic provinces. Is he aware of the disappointing capital investment forecasts to which APEC has drawn attention, and does he propose to take any action in this regard?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I think that the House will be glad to learn that Michelin is expanding, as it has announced today, and is going to create about 1,200 new jobs.

Some hon. Members: Hear, hear!

[*Later:*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary to a previous question with respect to the 1,200 jobs referred to by the Minister of Regional Economic Expansion. Two years ago he referred to 1,200 miners being employed in a colliery that will not be open for another two years. Are those the same 1,200 he is talking about now?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

• (1500)

AIRPORTS

PICKERING TOWNSHIP SITE—SUGGESTED APPOINTMENT OF COMMISSION OF INQUIRY—GOVERNMENT ACTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct a question to the Minister of Transport. I know he will not make a false statement, like the Minister of Supply and Services—

Some hon. Members: Oh, oh!

Some hon. Members: Withdraw!

Mr. Diefenbaker: —who went outside the House yesterday and said he was wrong.

Some hon. Members: Withdraw!

Inquiries of the Ministry

Mr. Diefenbaker: Mr. Speaker, I was not going to rise on a question of privilege but in view of the interruption of that inconnu in the back seat I want to say this. Yesterday the Minister of Supply and Services said the Royal Canadian Mounted Police had suggested the removal of the Canadian coat of arms—

Mr. Sharp: He never said that.

Mr. Diefenbaker: —in the interests of security. That statement was false, because he went outside the chamber to appear on television and said he was not referring to that when he answered the question.

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. Diefenbaker: Mr. Speaker, I want to ask the Minister of Transport about the situation in connection with the Pickering airport. Has he received a request from John J. Robinette, counsel for the People or Planes Committee, suggesting that as the location of this airport is a very controversial one and "the first and basic question which arises in the minds of most people is whether a second airport in the vicinity of Toronto is needed at the present time," and suggesting the setting up—

Some hon. Members: Question.

Mr. Diefenbaker: —the appointment of a commission—

Some hon. Members: Question.

Mr. Diefenbaker: Mr. Speaker, they are ringing bells. They will be wringing their hands in a few months.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: In that letter, he suggested that a commissioner be appointed under the Inquiries Act, "to inquire into and to report upon the question" as to whether such a second airport is now needed. Has he received such a request and what action, if any, is going to be taken thereon?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I received the request and it is presently being considered.

Mr. Speaker: Order, please. The right hon. member for Prince Albert on a supplementary.

Mr. Diefenbaker: Mr. Speaker, I like this.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The louder they howl, Mr. Speaker, the more you realize they are here only for a short time.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I come back to the second part of the question. The minister is usually very facile and very truthful in his answers. Is any action going to be taken thereon, or is it going to be considered?

Inquiries of the Ministry

Mr. Jamieson: Mr. Speaker, the only answer I can give to the right hon. gentleman who is well known for longevity in more ways than one, including the length of his questions—I had a job getting the kernel out of this one—

Mr. Ricard: Was it sweet?

Mr. Jamieson: I can only report that I received the letter yesterday or the day before, certainly early this week or late last week, and I have not had an opportunity to look at it in detail but I will be discussing it with my officials. I can assure the right hon. gentleman of one thing, namely, that there will be a reply to the letter.

* * *

[*Translation*]

HOUSING

MODIFICATION OF CMHC BUILDING STANDARDS—DISCUSSION WITH PROVINCES—AVAILABILITY OF HOUSING TO LOW-INCOME FAMILIES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, may I ask a question of the Minister of State for Urban Affairs?

In view of recent news reports, would the hon. minister confirm or deny that his department is presently discussing with the provinces the matter of amending the building regulations administered by Central Mortgage and Housing Corporation in order to reduce interest rates and enable more low income families to buy houses?

[*English*]

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, as I have confirmed in the House, there are discussions going on with the provinces which I expect will lead to amendments to the National Housing Act designed to assist low-income people to buy houses.

* * *

TRADE

UNITED STATES DISC PROGRAM—SUGGESTED APPEARANCE BEFORE COMMITTEE OF UNION AND COMPANY OFFICIALS INVOLVED

Mr. E. F. Whelan (Essex): Mr. Speaker, I wish to ask a supplementary to a previous question. Because of the urgency of the matter I would like to ask the President of the Privy Council if he would consider recommending to the House that the proper committee hear the union officials and company officials who are involved in the DISC program?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I will be glad to consider the suggestion and discuss it with my colleague, the Minister of Industry, Trade and Commerce.

[Mr. Diefenbaker.]

TRANSPORT

NEWFOUNDLAND FERRY SERVICE—INQUIRY AS TO REPLACEMENT VESSEL FOR THE "PATRICK MORRIS"

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I wish to direct a question to the Minister of Transport. What progress has he made or is he able to announce that he has succeeded in obtaining a suitable additional vessel for the Newfoundland route in replacement for the *Patrick Morris* so that the possibility of having to transfer the *John Hamilton Grey* to that service will be eliminated?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I think the second part of the question is not correct in the sense that this would not be the way in which we would proceed except in an absolute emergency. In other words, I have assured Prince Edward Island that the *John Hamilton Grey* will continue in that service on the same basis as last year. With respect to the first part of the question, there are people from my department and others now searching the market, and there is a reasonable prospect that we will get a rail car ferry as opposed to a roll-on, roll-off for the Newfoundland gulf service.

* * *

NORTHERN AFFAIRS

MACKENZIE VALLEY HIGHWAY PROJECT—INQUIRY AS TO LETTING CONTRACTS AND CONDUCTING SURVEYS—POSSIBLE SURVEY BY ROYAL CANADIAN ENGINEERS

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I wish to direct a question to the Prime Minister. What government department—I presume either Indian Affairs or Public Works—will be letting the contracts for the proposed new highway up the Mackenzie River valley, and what detailed surveys, if any, of the route have been carried out?

Right Hon. P. E. Trudeau (Prime Minister): Subject to verification with my colleague, Mr. Speaker, I believe the surveys are going to be conducted under the direction of the Department of Indian Affairs and Northern Development.

Mr. Harkness: Mr. Speaker, I wonder if any consideration has been given to placing the Royal Canadian Engineers in charge of this project?

Mr. Trudeau: Mr. Speaker, I do not believe consideration has been given to that. I will gladly make the suggestion to the Minister of National Defence.

* * *

NATIONAL CAPITAL COMMISSION

INQUIRY AS TO CONTRACT WITH PINKERTON AGENCY RESPECTING SERVICES NOW PERFORMED BY CORPS OF COMMISSIONAIRES

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

for Urban Affairs in his capacity as the minister responsible for the National Capital Commission. Has the National Capital Commission made a contract, or is it considering the making of a contract, with the Pinkerton Agency, a subsidiary of an American firm, for providing the services in the national capital area now provided by the Canadian Corps of Commissionaires?

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I shall have to make inquiries along that line.

* * *

[*Translation*]

NATIONAL HOLIDAYS

SUGGESTED CHANGE FROM "DOMINION DAY" TO "CANADA DAY"

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I would like to ask a question of the right hon. Prime Minister.

As we near July 1, would the government consider changing the name of Dominion Day to Canada Day—

[*English*]

—so that Canadians will have a national holiday, multicultural and bilingual, to symbolize national unity?

Some hon. Members: Hear, hear!

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the hon. member will be pleased to hear that the government intends to introduce shortly a bill concerning civic holidays—in a very few days, I repeat—and I am pleased to see that the applause raised by the question of the hon. member makes us expect that this bill will very quickly be passed by the House.

* * *

[*English*]

HEALTH

EPIDEMIC OF INFLUENZA AT REPULSE BAY—NUMBER OF DEATHS—GOVERNMENT ACTION

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have an urgent question that I have been trying to ask for two days of the Minister of National Health and Welfare concerning an influenza-type disease that has already stricken a third of the population at Repulse Bay and caused two deaths in that community. Would the minister inform the House whether there have been any further deaths as a result of this epidemic and what his department is doing to check the spread of the disease and alleviate the suffering that is apparently going on?

• (1510)

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, when we found out about the outbreak—I think it is influenza according to our latest information—we sent three doctors into the area and one nurse. One of them is the director of our epidemiology section. We have done a house to house survey in the area. Not knowing specifically what strain it was, we ordered a special vaccine from Washington. I expect to have a complete report later this afternoon when one of the doctors returns to Ottawa. I hope very much, as I know the hon. member does, that we have the situation under control.

Mr. Nielsen: A supplementary, Mr. Speaker. The minister overlooked informing the House whether there had been any further deaths in addition to the two already reported.

Mr. Munro: Mr. Speaker, I am only aware of the two that were reported. I understand that one had a heart condition, which was undoubtedly exacerbated by contracting influenza, and there was the other one to which the hon. member referred. They are the only ones I am aware of.

SUGGESTED SUMMER OPERATION OF MEDICAL SCHOOLS TO OFFSET SHORTAGE OF DOCTORS—DISCUSSION OF SHARING OF COST WITH PROVINCES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare. In view of the increasing need for general practitioners now acknowledged by the minister himself, has the minister held discussions with the provinces in order to share the necessary financing required to operate medical schools through the summer semester?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, it is not just a question of more doctors and the expense that is involved in training more doctors. Many recommendations are included in the joint study undertaken by the federal and provincial governments to find solutions, to alleviate the problem. One of the solutions is to develop paramedical personnel who can do just as well a lot of the routine work that doctors do, without the heavy expenditure of public moneys for their training.

Mr. Rynard: I should like to ask the minister if he would refer to the speech he made in Napanee in which he said that we were short of general practitioners.

Hon. W. G. Dinsdale (Brandon-Souris): I have a supplementary to the previous question. In view of the high rate of unemployment among general PhDs, I wonder if the minister would consider adopting a program whereby a PhD could convert his degree to an MD?

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FISHERIES

DATE OF MEETING OF MINISTER AND PACIFIC NORTH COAST CO-OPERATIVE ASSOCIATION ON CANNERY PROPOSALS

Mr. Frank Howard (Skeena): I have a question for the Minister of the Environment and Minister of Fisheries. Has the minister been able to establish the precise date when he will meet representatives from the Pacific North Coast Co-operative Association in Prince Rupert with respect to the cannery proposals for that area?

Inquiries of the Ministry

Hon. Jack Davis (Minister of Fisheries): Unfortunately, Mr. Speaker, I am not able to, but I hope within the next few weeks.

Mr. Howard (Skeena): Is the minister aware that about eight weeks ago he promised the co-operative he would meet them within six weeks, and he is now projecting it weeks and weeks into the future?

* * *

[*Translation*]

CRIMINAL CODE

INCREASE IN THERAPEUTIC ABORTIONS—REQUIRY FOR INQUIRY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

Following yesterday's publication of an Information Canada bulletin stating that the number of so-called therapeutic abortions in Canada has tripled during 1971, compared with 1970, can the minister say whether his department has made an investigation to determine whether all these abortions were therapeutic, or whether they were the result of the practice of abortion on request?

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I would advise the hon. member that it is not the function of my department to police the manner in which the law is being applied in this particular area. Having said that, I would advise him that we have officials looking into and compiling of statistics generally with respect to therapeutic abortions in Canada.

* * *

BRIDGES

RICHMOND, B.C.—ACCESS SYSTEM TO HUDON STREET BRIDGE—DINSMORE BRIDGE ALIGNMENT—GOVERNMENT DECISION

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Transport. Has his department yet made a decision on a road plan with the municipality of Richmond in British Columbia for the access system to the Hudon Street bridge and Dinsmore bridge alignment to Sea Island?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the answer is yes to the extent that we have rearranged the design and have submitted it to the Richmond town or city council. The only thing I am not certain about is whether we have total approval from the council as to the design.

Mr. Speaker: Order, please. I doubt very much whether the question should have been allowed in the first instance. There may be an element of national interest and urgency which escapes the Chair, but the question having been allowed perhaps the hon. member might ask a brief supplementary.

[Mr. Howard (Skeena).]

Mr. Aiken: Will the department now release the municipality from the restriction on release of the plan so that it may be discussed generally by the citizens?

Mr. Jamieson: Yes, Mr. Speaker. If such restrictions exist, and they may for some purpose of which I am not aware, I will look into it and be glad to do that.

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EXTERNAL AFFAIRS

DENMARK—DENIAL THAT DANISH FISHING CAUSE OF DEPLETION OF ATLANTIC SALMON STOCKS—GOVERNMENT POSITION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In light of the statement made by the counsellor of the Danish Embassy in Ottawa that there exists no scientific evidence that Danish fishing for Atlantic salmon is the cause of the recent decline of the salmon population in the spawining rivers, can the minister advise if he shares the contrary view expressed by the Minister of Fisheries and if this view is being presented to the government of Denmark either through the embassy in Ottawa or in Copenhagen?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, quite obviously, unless I shared the view and unless the whole of the government shared the views of the Minister of Fisheries, we would not have a very good case. We do have a good case. We believe there is fishing for salmon on the high seas that does affect the catch of salmon throughout the world and the survival of that species. This is the point of view we have urged upon the Danish government and why we believe they should co-operate with us.

Mr. Speaker: Order, please. There are two minutes left before the end of the question period and perhaps we should try to limit supplementaries.

Mr. Macquarrie: Mr. Speaker, may I ask the minister if he has conveyed to the government of Denmark the invitation issued by the Minister of Fisheries to the people of Canada to avoid the purchase of Danish goods?

Mr. Sharp: Mr. Speaker, as I said yesterday, the Minister of Fisheries was expressing a personal view. He prefaced it by saying that he did not advocate any change in Canadian government policy. If my hon. friend would like to emulate the Minister of Fisheries in this sort of appeal, we would have no objection.

* * *

FISHERIES

ATLANTIC SALMON FISHERY CLOSURES—DATE OF MEETING BETWEEN MINISTER AND NEWFOUNDLAND FISHERMEN TO DISCUSS COMPENSATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Fisheries when he intends to meet the Newfoundland salmon fishermen to

discuss compensation, similar to the meeting he had with New Brunswick fishermen?

Hon. Jack Davis (Minister of Fisheries): Shortly, Mr. Speaker. I might add that our officials will be down there tomorrow to discuss the terms of compensation which would apply, as the hon. member knows, only to the Port aux Basques area.

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POLLUTION

REFERENCE BY DANISH EMBASSY TO IMPORTANCE OF CLEAN-UP OF CANADIAN SALMON RIVERS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Does the minister share the view expressed by the spokesman for the Danish Embassy as to the importance of an immediate and effective clean-up of pollution in Canadian salmon rivers on the Atlantic coast?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. My colleague the Minister of Fisheries spoke equally strongly on that question. I hope we will have the co-operation of the provinces in cleaning up those streams.

INTENTION OF GOVERNMENT RESPECTING PROCLAMATION OF ARCTIC WATERS POLLUTION PREVENTION ACT

Mr. Erik Nielsen (Yukon): Mr. Speaker, the other day I asked the Minister of the Environment to tell us why it is that the Arctic Waters Pollution Prevention Act had not yet been proclaimed after almost two years and he said that the Minister of Indian Affairs and Northern Development would be making a statement. I wonder whether the minister is ready to do that now?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, only the legislation applying to inland waters of Northwest Territories has been proclaimed. The Arctic Waters Pollution Prevention Act has not been proclaimed as yet because if we did so now, without having first settled all aspects of the problem, we should have to close down the port of Churchill. I do not believe the people in Manitoba would be happy about that.

* * *

[*English*]

TRANSPORT

PROPOSED LINKING OF KOOTENAY AND ELK RAILWAY TO U.S. LINE—AMENDMENT OF RAILWAY ACT TO ENABLE TRANSPORT COMMISSION TO CONSIDER PUBLIC INTEREST

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that the Kootenay and Elk Railway Company looks upon the recent Supreme Court decision as a green

light to proceed with its proposed railway to join up with the Burlington-Northern, can the minister tell the House whether he has decided to bring in amendments to the Railway Act which would give the Canadian Transport Commission the authority to take Canada's public interest into account when deciding upon applications such as that made by the Kootenay and Elk Railway?

• (1520)

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I believe I answered that question a few days ago in response to a question asked by the leader of the hon. gentleman's party. The whole question of that judgment is now being examined. It is a very lengthy document, and I am still waiting for word as to just what the actual, legal interpretation is.

Mr. Harding: In view of the urgency of this matter, can the minister indicate when he is likely to make the decision known to the House?

Mr. Jamieson: Mr. Speaker, I am not sure that the two issues are that closely related. In other words, I understand that there is ample room for appeal or some further action with regard to the decision of the Supreme Court. That may take some considerable time. I would take it that—

Mr. Speaker: Order, please. We have reached the end of the question period. I feel sorry for a number of hon. members in the back rows who have not had an opportunity to ask their questions. I invite hon. members in the front rows to reflect on the situation of hon. members in the back rows—

Some hon. Members: Hear, hear!

Mr. Speaker: —who from day to day find it difficult to obtain what I consider to be their fair share of questioning time in the question period. I might perhaps be permitted to recognize quickly the hon. member for Sainte-Marie for a brief question before calling orders of the day.

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[*Translation*]

AIRPORTS

STE. SCHOLASTIQUE—ALLEGED DIVERSION OF FEDERAL GRANTS—USE FOR OTHER PURPOSES

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I was getting discouraged, as I have a question for the hon. Minister of Transport. It concerns the Ste. Scholastique airport, and particularly the serious accusations brought forward by the Liberal member for Argenteuil in the national assembly of Quebec to the effect that the major part of the $40 million grant for assistance to municipalities in that area has been diverted and used for other purposes.

Could the Minister of Transport clarify the matter and tell us to what extent this allegation is accurate?

Mr. Speaker: I am under the impression that this question was put yesterday—

[*English*]

If I am wrong, perhaps the minister might reply briefly to the hon. member's question.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have made some inquiries. At the moment we are simply going on the news report, not having seen any transcript of what was said. Speaking in terms of federal allocations for the Ste. Scholastique airport I might say that to the best of our knowledge and ability these have been spent for the projects for which they were designated.

[*Translation*]

STE. SCHOLASTIQUE—REQUEST FOR INVESTIGATION OF INCREASED CONSTRUCTION COSTS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to put a supplementary question.

Since the minister was not in the House yesterday, he was unable to answer the question put to him. I should like to ask him another one, namely whether he intends to report to the House in the near future or to make a statement concerning the increase in the construction costs and the expenditures for the Ste. Scholastique airport, which will go beyond the estimates of $180 million?

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker, other than to say that the published report to that effect is not correct. The budget estimates have not been exceeded by anything like that amount and are quite within the normal differences that one would expect on a project of this size.

Mr. Speaker: Order, please. I notice the hon. member for Lisgar, the hon. member for Yorkton-Melville and the hon. member for Selkirk, among others in the back row, who are still waiting for an opportunity to ask their questions. Perhaps we might consult tomorrow and try to give them an opportunity to ask their questions early in the question period.

Mr. Rowland: Mr. Speaker, I rise on a point of order. I did not raise it earlier because I did not want to disrupt the question period. I should like to raise it while the Minister of Industry, Trade and Commerce is still in the House because it is related to his reply to a question asked by the hon. member for Vegreville, I believe. The minister implied, whether intentionally or otherwise, that Premier Schreyer had indicated that the move of Versatile Manufacturing Limited to North Dakota was in no way due to DISC. I think Premier Schreyer said precisely the reverse, and I wonder whether the minister would care to correct the record.

Mr. Speaker: Order, please. Again, this is the same type of question which was asked yesterday by way of a point of order. I suggest to hon. members that it is not in order to seek to obtain information in this manner by way of a point of order. I would have hoped that the question could have been asked during the question period, if there had been time to recognize the hon. member. I appreciate very well that he cannot be held responsible for not being recognized. Perhaps the minister might give that information tomorrow during the question period.

[Mr. Speaker.]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: Mr. Speaker, may I ask the government House leader the usual question about what business the government plans to place before parliament in the coming week. Perhaps he would be good enough to be particularly specific about the business for tomorrow and also about the business for Tuesday and Wednesday on the assumption, which I hope is correct, that the budget debate will not be resumed until Thursday.

Mr. MacEachen: Mr. Speaker, today we will continue with Bill C-5. Tomorrow, whether that bill is completed today or not, we will begin with Bill C-195, the adult occupational training act, and return to the farm credit bill if Bill C-195 is completed tomorrow, followed by Bill C-7, the explosives act. For next week, I should like to designate the business tomorrow and would indicate to my hon. friend that it is proposed to resume the adjourned budget debate on Thursday, May 11. In that connection, Mr. Speaker, may I suggest that under Standing Order 60 an order of the day be designated, so that the Minister of Finance (Mr. Turner) can present the budget statement at eight o'clock and also in order that the House may indicate, through a special order, that the debate on whatever government business is before the House on the afternoon of next Monday shall be adjourned so that we may begin consideration of the order of the day at eight o'clock.

Mr. Speaker: Before I put the question, I will recognize the hon. member for Winnipeg North Centre who rises on a supplementary.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary with reference to the business of the House. In view of the urgency indicated yesterday by the Prime Minister with respect to the foreign takeover review bill, can the government House leader say when it is intended to call the debate on the second reading of that bill?

Mr. MacEachen: Mr. Speaker, I had considered calling it for tomorrow, but I have deferred that decision in order to give members of the House an opportunity to examine more fully the profoundity of that bill.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, since that does not take any time at all, can the minister say whether the bill will be called next week?

Mr. MacEachen: Mr. Speaker, I cannot give that assurance at the moment.

Mr. Stanfield: The Prime Minister is not in any hurry to get that bill through.

Mr. Speaker: Is the hon. member for Edmonton Centre rising on a point of order?

Mr. Paproski: Mr. Speaker, I have requested a number of times more copies of Bill C-7. We have experienced difficulty in obtaining this bill from the distribution office. I wonder whether it would be possible to get a few extra copies?

Mr. Speaker: Order, please. The hon. member knows that that question ought to be asked in a different way, by communicating either with the Clerk's office or with officials of the House. The hon. member's request has been noted.

Mr. Rynard: Mr. Speaker, I rise on a point of order. I wonder if it would be out of order for me to ask a question of the Minister of National Health and Welfare in order to clear the air. In view of rumours—

Mr. Speaker: Order, please. The hon. member seeks to ask a question by raising a point of order. Again, I suggest to hon. members that if the hon. member for Simcoe North is given that opportunity by the House a number of hon. members who have not even had an opportunity to ask a first question today should be given the same opportunity and privilege. I will inquire whether the House agrees to the hon. member asking a supplementary question.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Rynard: Mr. Speaker, I apologize to the House. It has just come to my attention that there is a rumour circulating to the effect that Director General Craig of the non-medical use of drugs directorate has resigned. I wonder if the minister could make a statement to clear the air.

Mr. Speaker: Order, please. I inquired whether there was unanimous consent to pursue the question period more than ten minutes after it had expired and there is not consent. Is the hon. member for Yorkton-Melville rising on a point of order?

Mr. Nystrom: Mr. Speaker, I rise to seek your guidance. The Minister of Regional Economic Expansion will not be here tomorrow and, as you know, we are trying to get him to appear before the Standing Committee on Regional Economic Expansion. I wonder if he will appear today, on Monday or Tuesday, or as soon as possible?

Mr. Speaker: Order, please. Before calling orders of the day may I, as suggested by the government House leader, inquire whether an order shall be made for the consideration of the budget business at eight o'clock next Monday. Is this agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered. Orders of the day.

GOVERNMENT ORDERS

FARM CREDIT ACT

AMENDMENTS RESPECTING LOANS AND POWERS AND CAPITAL OF CORPORATION

The House resumed, from Wednesday, May 3, consideration of the motion of Mr. Olson that Bill C-5, to amend the Farm Credit Act, be read the second time and referred to the Standing Committee on Agriculture and the amendment of Mr. Korchinski (p. 1872).

• (1530)

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I rise to continue my remarks on Bill C-5. Clause 1 of the bill gives the Farm Credit Corporation carte blanche to carry out every wish of the Minister of Agriculture (Mr. Olson) by order in council. This has to do with the implementation of the so-called small farm adjustment program.

I stated last evening that I read an article in the May 8, 1971 edition of the Calgary *Herald* headed "Olson seeks to reduce the number of small farms". This is the whole aim of this program. Under this legislation, the Farm Credit Corporation will be handed the job of proceeding with the eradication of many of the small farms. The minister shakes his head in a negative manner. I wish to quote from the article briefly:

> Agriculture minister Bud Olson is trying to sell to farm organizations and the provinces a sweeping plan to reduce the number of farms in Canada.

I underline the word "reduce". There is nothing clearer than that. The article continues:

> Already, the plan has run into opposition from the provinces and farm organizations.

The plan has been in existence for over a year, and no province has accepted this legislation. The Standing Committee on Agriculture has not held up the plan. Why has it not been accepted? It is basically because farmers do not like a plan that will eradicate many of them. The article continues:

> It would also leave the country with a more efficient agriculture industry, something Ottawa wants badly.

There have been some denials of that interpretation. We wonder how far this is going. It is interesting to note that the minister in charge of this program is a former member of the social credit party. His parliamentary secretary, who spoke yesterday, is also a former social crediter. He said yesterday, as recorded at page 1880 of *Hansard*, and I quote:

> We cannot expect drastic changes because too many production units are involved in farming.

There it is. He, too, thinks there should be a reduction in the number of farmers. When looking at the arrears on loans made by the Farm Credit Corporation, I asked the manager of that corporation if he could relate those people who are in arrears to the size of their operation. I asked if most of them fell within a particular segment of the industry and whether he could categorize them. He said there were people in arrears with large, small and middle size farms, and that no pattern was evolving. If there is no pattern evolving in the arrears on loans made

by the Farm Credit Corporation, how can it be predicted that if we got rid of all or most of the small farmers we would have a more efficient agriculture industry? We wonder where the idea for this plan came from.

When researching the problem of solving that question, I came across Volume 5 No. 5 of the "Canadian Farm Economics" published by the Department of Agriculture in December, 1970. If one considers that this program was introduced on March 8, 1971, the date chronologically falls in the right area. This article was written by two people in the Department of Agriculture at that time. This article, which appears at page 13, is headed "Adjustment Policy". That is exactly what this program is called. It points out that a certain percentage of commercial farms have the potential to become viable and a certain percentage of farms lack that potential. The article reads:

Hence the need for accelerating the transfer of people out of agriculture, provided that people want to leave agriculture, and provided that there are off-farm opportunities for them.

The program deals with exactly that. I go back to the newspaper clipping from the Calgary *Herald* of May 8:

—two major programs—a land transfer plan and counselling services. The farmer's first contact with the program would come through a special adjustment counsellor. He would help a farm family sort out the opportunities both on and off the farm.

If the farmer decides to stay, a farm management specialist would step in to help him develop a sound commercial farm. If necessary, the help would include credit to help buy more land. The farmer who decides to leave would either get training for a new job, or simply go into early retirement.

This is what it is all about, get the farmer out of farming. It is interesting to note the number of difficulties and changes of opinion. I have a newspaper article which appeared in the April 15, 1972 edition of the Montreal *Gazette*. It is headed "A Chance for Youth, Small farming need not fade from our scene". I will not read the entire article. I agree with that concept. I repeat, Mr. Owen, the manager of the Farm Credit Corporation, when asked about the arrears situation, could not identify that particular problem as related only to the small farmer.

I wish to read from page 5 of, "Federal Farm Credit and Related Statistics", published by the Dominion Bureau of Statistics with regard to arrears and difficulties in agriculture. I noticed that the Minister of Agriculture said things were getting better. What does the manager for the Farm Credit Corporation have to say?

About three million dollars were loaned for housing, down from ten million three years earlier. With more difficult economic conditions, expenditures for farm housing tend to be postponed more than loans for other purposes.

In other words, he recognizes that the past few years have been difficult for agriculture.

The amendment put forward by the hon. member for Mackenzie (Mr. Korchinski) suggests two things. Those suggestions correspond with those made in the article headed "A Chance for Youth". They correspond with what the hon. member for Lac-Saint-Jean (Mr. Lessard) said yesterday, namely, that the average age of farmers is 55 and we should be encouraging young people to become interested in farming. There will be a special forgiveness clause for a young man getting into agriculture and a postponement of the payment of interest on loans taken out. In my opinion, this will help many of the agricultural conditions.

The hon. member for Lac-Saint-Jean quoted from one table in this publication. It appears at page 37 and is with regard to the increase in farm values over the past 20 years. He caught my interjection that farmers live poor and die rich. What I meant by that was that a farmer works and contributes to the value of his property. He improves the property, that is the fences and buildings. Naturally, over a period of 20 years, the property should increase in value. It is only natural to think that, as a result of these improvements and inflation, the land value will increase over a period of 20 years.

The hon. member referred to only one table in a publication that is filled with statistics. It is the only table that projects any increase in prosperity in the agricultural scene whatsoever. What will happen to that increased value in 20 years, now that this government has implemented a capital gains tax? There may be a similar increase in land value in the next 20 years, but with a capital gains tax what will happen to this land, some of which may be owned by the Farm Credit Corporation? With a capital gains tax, what will happen if a father attempts to pass the farm on to his son? He would also like to pass on the debt, but that would be very difficult.

Agriculture is in a very difficult situation today. The minister suggested that things are pretty good. Table 37, which appears at page 62 of this publication, outlines gross and net incomes of farmers by province. I am not going to read the figures for every province, only the total for Canada. From 1961 to 1966, the average was $1,462,000,000. In 1967, the figure was $1,475,000,000. In 1968, it was $1,700,000,000—I am rounding these figures off—and in 1970 it was $1,200,000,000, or, more accurately, $1,233,000,000. These figures give us an idea as to the extent to which farm income has declined. Is it any wonder farmers are in difficulty?

• (1540)

What has been the situation in connection with arrears in loan repayment? The hon. member for Mackenzie put on record yesterday some figures which had been presented as evidence before the committee, showing that the farmers of Alberta were in arrears last year in the repayment of loans to the extent of 21 per cent. In 1970, the figure was 15 per cent. So, there has been an increase in the amount of arrears in one year by something like 25 per cent. Alberta is a prosperous province. The cattle industry is supposed to be doing well. Why should there have been such a marked increase in the amount of arrears on loans? The same pattern appears in the case of Saskatchewan and in the case of Manitoba. If conditions had been so great, why has difficulty arisen in connection with repayment?

One can look at other tables in this publication. On page 58 we find table No. 32 consisting of indexes of farm prices of agricultural products and prices of goods and services used by farmers. There has been a generally downward trend in farm prices since 1966. In that year, the index of farm prices stood at 307,—in 1970 it was 296. It is slowly declining. What has happened to the cost of the services and goods the farmer must use? In 1966, the

index stood at 343. In 1970, it was 412. So, on the one hand, the farmer has to meet ever increasing costs, while on the other the prices he receives for his products have failed to rise correspondingly. It is all very well to say that some kind of subsidy is required. The Prime Minister (Mr. Trudeau) made a statement, reported, I believe, in the Calgary *Albertan* of February 3—this was after the great speech he made in Montreal announcing that hog raisers would benefit by $5 million.

Mr. Olson: Hear, hear!

Mr. Horner: I note that someone here is listening. I always appreciate that. The Prime Minister said this: "It is becoming less and less acceptable for the consumer to bear the cost of the farmers inefficiency." Well, the Prime Minister has made many memorable statements, but this is one which no farmer should ever forget. It is comparable with the question he asked in Winnipeg: "Why should I sell your wheat?"

Mr. Olson: That was not quoted correctly, either.

Mr. Horner: That was an astonishing statement to make—that it was becoming less and less acceptable for the consumer to bear the cost of the farmers inefficiency. How does the farmer compare with other producers in terms of efficiency? Table 31 of the book from which I have already quoted outlines the situation, under the heading "Output per person employed in agriculture". In 1961, the basic index figure is set at 100. By 1969, it has risen to 166.7. Compare this with productivity per person employed in commercial non-agricultural industries. Again, in 1961, the index figure was 100. By 1966, output per person had risen to 121. So the farmer is obviously not so inefficient. The only conclusion one can reach is that his performance has been above par compared with that of the rest of the economy. The government, however, fails to recognize this fact.

I turn, now, to another aspect of this subject. Why do the loan accounts of small farmers in the three prairie provinces show larger arrears than is the case in any other part of Canada? Where are the small farmers? According to table 28 there are 130,000 small farmers in Canada, whose holdings have a capital value of less than $20,000. Nearly 41,000 of these farms are in Quebec. I listened with interest to the hon. member from the Social Credit party who spoke yesterday. He did not really expand on this subject, but I wonder whether the farmers in Quebec really believe that if there were 40,000 fewer of them the rest would be better off. I doubt it. The hon. member for Lac-Saint-Jean (Mr. Lessard) told the House it was not fair to say that 7.5 per cent of the farmers in his province were in arrears, because only 6 per cent of the farmers in Quebec received loans to begin with—no one really borrowed. This is not, in fact, the case.

In 1970 5,700 loans were made in the Province of Quebec and, in 1971, another 5,700 were made. That is a substantial number of loans in one province. The farmers there are borrowing money, too, but for one reason or another the agriculture industry is less profitable on the prairies than it is in the rest of Canada. This is the only conclusion I can draw. One must take land prices and land ownership into consideration. According to one of these tables between 88 per cent and 90 per cent of the farmers in Quebec and Ontario own their own land, whereas in the prairie provinces the figure is close to 60 per cent. The others are renting the land they farm. It is only natural, I suppose, that the Farm Credit Corporation would make most of their loans in areas where land is being rented. I should like to think that this is so, and, in fact, this has been the case. About two-thirds of the loans are made in the prairie provinces, but one must remember that two-thirds of the production comes from there—including the prairie provinces and Ontario.

Mr. Olson: And Ontario?

Mr. Horner: And Ontario. Why have difficulties over repayment arisen? It is well known that the prairie provinces are major grain growers. We have excelled in our ability to grow grain. The sad thing is that the final, realized price for wheat last year was the lowest in the last ten years; the final realized price for barley last year was the second lowest in the last ten years. And when one takes into consideration the fact that barley production was subsidized to the tune of $11 million by the government—

Some hon. Members: Hear, hear!

Mr. Horner: The minister pounds his desk.

Mr. Mazankowski: Not by choice.

Mr. Horner: As my hon. friend from Vegreville (Mr. Mazankowski) said, the minister did not really take this action by choice. We on this side of the House know that if the great stabilization bill had passed the $11 million would have come out of farmers pockets.

Mr. Olson: There would have been $40 million more.

Mr. Horner: It would have been about $40 million less. If the minister would like to debate this subject with me at any time, I will take him on in any hall and in front of any cameras and microphones in Canada. He cannot be the winner of that argument because the figures will prove him wrong.

Mr. Olson: I will take the hon. member on right here.

Mr. Horner: Well, bring in the bill again.

Mr. Olson: The farmers will not let you go through all that again.

Mr. Horner: I went back through the records for 22 years. I could not find a year in which farmers received less per bushel for oats than they did last year. I felt I should not be required to go back more than 22 years to make my point. The least for wheat, the least for barley, the least for oats. Is it any wonder that the farmers in the three prairie provinces who are major grain growers are in arrears in repaying their loans? It is no wonder that the arrears continue to grow rather than diminish. The arrears amount to $6 million in Saskatchewan, $6 million in Alberta and $2-3/4 million in the province of Manitoba, mainly because less money is loaned there.

• (1550)

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

Mr. Horner: After I am through. Let us take a look at where these non-viable farms are which are causing some of the trouble, and which represent the reason for bringing in the great small farms adjustment program. In another table at page 60 of this same publication, we see the percentage of viable farms varies from province to province. In the province of Quebec, only 30.3 per cent are viable compared to 55 per cent in the province of British Columbia, 51 per cent in the province of Alberta, 50 per cent in the province of Saskatchewan and so on. The next comparable figure to Quebec is 35.7 per cent. One could read figures at length from this book to prove beyond a shadow of a doubt that the farmers on the prairies under today's situation are in a much worse position than they have been in any other period of years one might mention.

Mr. Olson: 1972.

Mr. Horner: The minister is boasting about 1972. In his speech he said that conditions are improving up. They have to be improving because they had been down so low. We have to improve our record because arrears on loans are increasing. If the minister is suggesting that incomes will be higher or better in 1972, I say to him and through him to the manager of the Farm Credit Corporation, that I hope the manager of the Farm Credit Corporation will not foreclose any more mortgages than should be necessary. I want to see the farmer have every possible break. I know that at page 8 of the small farms adjustment program, it is suggested that the government will get into the land business. It nails down four points as follows: a listing service to provide relevant information to prospective buyers and sellers; incentive grants to encourage prospective vendors to sell; special credit facilities to encourage prospective purchasers to buy and, finally, the authority to enter the market directly and purchase and resell farms as the need arises.

So, we will have the federal government competing with the Saskatchewan government in that regard. I hope they do not force land prices to rise to such an extent in that province that the farmer cannot pay, so then these wealthy governments will reap their money from the taxpayers and spend it in a glorious way. Surely, this bill is a glaring example of what the government is not doing. It is creating a situation in which the age limit is being reduced from 24 to 18. It may be 19 in some provinces, 18 in others and 21 in others, but only 2 per cent of loans made by the Farm Credit Corporation have been made to farmers under age 25. Therefore, I do not believe the reduction will mean that there will be very many more loans. Then, they have increased the amount that may be borrowed from $40,000 for a single individual to $100,000. If a person cannot meet the payments on $40,000, why should we assume he would be able to meet the payments on $100,000. The rejuvenated Social Crediter has forgotten about the high interest rates charged for Farm Credit Corporation loans, which have been better than 8 per cent for two years.

I listened to the minister on Tuesday evening. He balanced the problem. He asked whether we should refinance, whether we could do it this way or another way. He came to no conclusion. The minister did not have an answer. He said we could do as Central Mortgage and Housing Corporation does and adjust the interest rates every five years. This bill, however, does not include such a provision. I read over again what he said yesterday. He went back over the same problem and came to no conclusion. The bill glaringly omits dealing with the obvious problem that 13,000 loans were made by the Farm Credit Corporation at interest rates above 8 per cent. The government or the Farm Credit Corporation, if my memory serves me right, do not intend to give the farmers an opportunity to refinance even five years from now.

I am firmly convinced that when inflation hits in Canada it will be at the rate it is in Brazil, but I did not know that the minister was prepared to point this out. He said on Tuesday night that next year interest rates will be back up to 8 per cent, 9 per cent or 10 per cent, and that really he might be doing the farmers some harm if he gave them an opportunity to adjust interest rates in five years. Why do we not have a clause which would allow the interest rate to be adjusted every five years as is the case with Central Mortgage and Housing Corporation? When you borrow money to buy a home, the mortgage always contains a clause in respect of refinancing. However, this minister does not want this because he believes interest rates will be higher and we had better remain where we are at 8¾ per cent.

At one time the minister campaigned across Alberta saying that a 2 per cent interest rate was all that was necessary. The position of the Social Credit party was that 2 per cent on loans was all that was necessary, and that high interest rates represented an evil. Now, the minister will not even allow the farmers the right to refinance, and he holds the rate tightly at 8¾ per cent. Then, in a recent speech as reported in the Regina *Leader Post* of March 13, 1972 the minister said:

> Free trade is a great thing when it works, but unfortunately there aren't enough constraints within the free trade system for us to accept that this is the way marketing will be.

In that speech he stated that there must be restraint built into the marketing system, and he now shows the country what he calls a marketing system. It is something like the small farm adjustment program. No one knows what is in it. The hon. member for Vegreville (Mr. Mazankowski) questioned the manager of the Farm Credit Corporation when he appeared before the committee. He was dealing with one particular aspect, I believe the special credit section, and the manager of the Farm Credit Corporation said that he believed it had been dropped. On another point, the manager said that he was not sure but he believed that had also been dropped.

So, we do not know what clause 1 of the bill really means when it says that the corporation has all the powers necessary to carry out such duties or functions as may be assigned to it by the Governor in Council. We do not really know what that clause means. No wonder the minister has not sold this program to any province. No province has signed the terms of the small farm program because they do not understand what this means. Perhaps

the minister had adjusted the program too often. When he finds that his program has failed to gather support, he brings out another one such as the systems marketing project, or something like that. Perhaps I used the wrong title.

• (1600)

Mr. Olson: Project 75.

Mr. Horner: Project 75. There must be some advertising agency dreaming up these titles. In any event, what does Project 75 or a system marketing project mean? The interpretation I put on this is that a federal government employee will follow the product from the time it is first produced until it gets to the consumer to make sure everybody gets the best deal, a square deal, an up and up deal and everything else.

Mr. Olson: That is a wrong conclusion again.

Mr. Horner: The minister says I have come to a wrong conclusion. I wish he would explain these programs. There is one devious thing I have noticed about the members of this government, and the Minister of Agriculture is no exception in this regard, they all by-pass the normal procedures of Parliament in respect of most of their important legislation.

The government wants clause 1 accepted, so that they will never have to come back to Parliament. They can do things by order in council, designating a farm corporation and handle this thing and that thing in that way. The government will never have to produce a bill again. Perhaps this is necessary because the government has so much trouble drafting bills which meet with approval. The minister in charge of the Wheat Board (Mr. Lang) followed this practice with Operation Lift, and we have seen what it has done in respect of farm credit programs. The Government includes $1 items in the estimates and the estimates have to be passed by May 30 no matter in what state the examination of them is in the committee. Parliament has to pass them, and the member has to scurry around to find out what are the exact interpretations.

The people of this country, whether they be farmers or otherwise, are deeply concerned, frustrated, angered and annoyed at what is happening. Can you blame them? I do not think you can. We want more information as to what the government intends to do with Project 75, with the small farms adjustment program, with interest rates and now with the Farm Credit Corporation.

Mr. Bill Knight (Assiniboia): Mr. Speaker, I listened with a great deal of interest to the remarks of the hon. member for Crowfoot (Mr. Horner), and I should like to compliment him on some of the issues he brought forward. I do not wish to deviate from the debate, but I was interested to hear the hon. member challenge the Minister of Agriculture (Mr. Olson), to a debate in respect of the Farm Income Stabilization Plan and the benefits thereof. He suggested the minister would not win, and I think he is correct. However, I suggest the hon. member would not win either, after the stand his party took in respect of that bill last fall.

Mr. Horner: I make you the same challenge.

Farm Credit Act

Mr. Knight: When one examines the bill and the amendment, one finds it much like the sugar coating on a bitter pill. In dealing with the amendment, I suggest that the question of interest rates is one that is always before the farmer. This is a very important aspect, as the hon. Minister of Agriculture should know, being a former Social Credit member. The amendment refers to providing for partial repayment of interest when a young farmer meets performance standards. It appears that the Tory party, in moving this amendment, intends to introduce a kind of selectivity to the program. This is the very kind of selectivity they attacked last week in respect of the Family Income Security Plan.

What is a performance standard? Is there going to be some kind of bureaucracy set up to go out and examine farms to see who is up to date in performance standards? Who is to make the judgment? Is the hon. member for Mackenzie (Mr. Korchinski) going to make the judgment as to performance standards? I should hope not. That part of this amendment is selective, and is at variance with statements by members of the Conservative party in this House last week concerning other bills. This amendment to include a performance standard brings in a certain element of selectivity.

If you look at this bill in terms of its different amendments to the Farm Credit Corporation Act, you will see some changes which may possibly bring it up to date, especially those relating to the amount allowed as the borrowing level. If you look at the bill you will see certain changes suggested which, on the surface, do not appear to be of great concern.

I suggest it is the underlying motive behind the changes which is important to the farmers of Canada. I need only refer to part 1, the amendment to Section 11 of the Farm Credit Corporation Act, which gives the corporation all the powers necessary to carry out such duties or functions as may be assigned to it by the governor in council in relation to the administration of any agricultural program, or is assigned to it pursuant to any other act of the Parliament of Canada. What is the significance of that amendment, and what lies behind it? This amendment allows the government to bring in a small farm consolidation plan which it does not have to have approved by the House of Commons. This is what is behind the amendment, and it should be questioned very seriously in committee.

There are other amendments of concern, such as the one in clause 3 which would enable the corporation to make a loan under the act where in its opinion the uses of the proceeds of the loan would facilitate the efficient operation of the farm mortgaged. Under the present act, the corporation must be of the opinion that the loan is necessary for the efficient operation of the farm to be mortgaged. That sounds like nothing more than a play on words by the government. I hope the Minister of Agriculture will take the opportunity of explaining in this House and In the committee the over-all meaning of that clause.

If you carry on with an examination of the clauses you will see there are some changes which may have some merit. Let me refer to clause 2 which proposes to amend the legislation as it relates to corporations. The explanation is that this amendment will provide that loans may be

made under the act only to individuals who are Canadian citizens or landed immigrants. However, it would also provide that loans may be made to farm corporations only if they are controlled by shareholders who are Canadian citizens. The real question that arises as a result of this amendment to the Farm Credit Act is who is going to be allowed to borrow funds to buy farm land, and whether or not those loans will be allowed to such non-farmers, if I may use that phrase sarcastically, as the National Grain Company and other elements of the grain business.

The report of the task force in respect of the farm adjustment resources mobility plan suggests there should be consistency in allowing loans for that kind of corporate farming, not a father and son arrangement or an arrangement between two brothers who incorporate, but corporate farming on the basis of land owned by large multinational corporations which allow the land to be farmed by employees. The fundamental question is whether the family farm, as a viable economic unit, will be preserved.

• (1610)

There are other changes on which I should like to comment. There is the provision which states that the total of outstanding loans made to a farmer under the act shall not exceed $100,000. If the Minister of Agriculture speaks again, he will perhaps explain section 17(1) in terms of its effect on any ventures in co-operative farming and whether or not the limit of $100,000 in terms of our modern society is sufficient. I wonder whether perhaps some changes should not be made to that limit when there are three, four or five farmers involved in a co-operative venture. Possibly the minister will explain that.

We see a change regarding the valuing of land according to productivity. It seems to me that these changes do not merit too much discussion. All these amendments to the Farm Credit Corporation Act, as I have stated before, essentially act as an umbrella and as an opportunity for this government to bring in for the coming seven years the small farm consolidation plan. When we questioned the chairman of the Farm Credit Corporation in the Standing Committee on Agriculture, he did not give us the details of the plan. But the amendment to section 11 allows the Minister of Agriculture to bring in the small farm consolidation plan. I wonder how many individuals have been called in by the Department of Agriculture when they were preparing the small farm consolidation plan. Undoubtedly, the minister has received some good advice from the public relations people regarding the manner in which he should bring this plan forward. If we look at the description of the farm adjustment and resource mobility plan, we will see that there is reason to fear the effects of the small farm consolidation plan.

The Farm Credit Corporation was set up in the beginning to assist farmers in borrowing sums of money in order to maintain a viable economic unit. But once the amendment to section 11 is passed, if it is passed, the scope of the Farm Credit Corporation will be fundamentally changed. It will deal with the socio-political aspects of farming under the amended legislation and it will deal with the nature of the lives of the people affected by in the small farm consolidation plan. When that plan is in operation, I wonder how many bureaucrats the Department of Agriculture will have to hire to implement the plan and to talk to the farmer who will have to move to the cities. When one looks at the unemployment figures one realizes that there is very little that the farmer can do in the city. How many sociologists, psychologists and new members of the Department of Agriculture will have to be hired to facilitate farmers in adjusting to a new way of life? Where does all this fit into the role of the Farm Credit Corporation as it was established originally?

Under this legislation the land transfer system, the concept of amalgamating several small farms into one large one, is taken into account. The small farm adjustment program does not take into consideration the economic and social effects it might have on the agricultural economy in Canada, both in the east and in the west. No real imagination is used with regard to the collateral needed in order to go into farming. There is no projection of the idea that young people who grew up on farms, for example in the province of Saskatchewan, who have had to go into the cities and take jobs there because, as a result of the policies of the federal government, farming brought them no income, would now like to return to farming. The province of Saskatchewan has made a number of moves in this direction, controversial though they may be. The first move was to bring in the system of land transfers to assist these young farmers in farming.

The whole concept of the small farms consolidation plan had its source in the task force report. Let there be no question about that. Last fall, the grain income stabilization policy came from the same source. The amendment to section 11 of the Farm Credit Corporation Act carries out the recommendations of the task force. The farm adjustment and resource mobility plan contains some fundamental aspects of importance to many people whom we in the House of Commons represent, including the constituents of the Minister of Agriculture in Medicine Hat. It concentrates on increasing the mobility of the land resource, enabling some farmers to increase the size of their farming operations and enabling others to get their assets out of farm real estate so that they can take advantage of non-farm income, employment or retirement opportunities. It involves a package of four programs. These are: a listing service to provide the relevant information to prospective buyers and seller; incentive grants to encourage prospective vendors to sell; special credit facilities to encourage prospective purchasers to buy; and, finally, authority to enter the market directly to purchase and resell farms as the needs arise.

I wonder if the Minister of Agriculture took into consideration the real significance of such a proposal, and the fact that it will not be put on the statute books of Canada but can only be implemented by the passing of the amendment to section 11. I think that is important. It may be good for the Department of Agriculture, in terms of a good public relations job to introduce the program in this way, but it is detrimental to the people involved if they are not allowed to have an open, formal discussion of the suggestions of the Department of Agriculture.

What is the direction of this policy? I think that is a fundamental question. When one sits in the Standing Committee on Agriculture and discusses the problems which farmers face in Canada, one finds that the officials of the Department of Agriculture, perhaps unconsciously

and unknowingly, continually discuss the problems of farmers and people in farming communities from what I would call a restricted point of view, in the same way as we examine Farm Credit Corporation loans. Let them examine the problems in depth. There is never an examination of the whole question of an incomes policy and the costs of production. As was mentioned by the hon. member for Saskatoon-Biggar (Mr. Gleave), the government has had possession of the Barber royal commission report on the price of farm machinery, but has taken no action on it. At the same time organizations such as the Canadian Federation of Agriculture have made representations on an incomes program that would ensure a reasonable return to farmers, that would help keep them on the land, and that would facilitate and encourage young farmers to get into farming because they know they will get a reasonable return on the labour and capital they invest.

• (1620)

But within the department we have the Canadian Grain Commission, the Farm Credit Corporation, the Deputy Minister and others discussing this whole matter in a restricted manner, in terms of farmers and of farm units, without touching the whole question of an incomes policy. When we examine this we see it is nothing more than economic talk without social consequences, just as we have seen in the task force report on agriculture. That task force report has become the gospel of the Department of Agriculture, and the minister and the officials are the disciples. What is needed, as I have already suggested, is the development of an incomes policy for the farmers of Canada.

In this connection I need only refer to the brief which the Canadian Federation of Agriculture submitted when it met with the Prime Minister (Mr. Trudeau) and the Minister of Agriculture, as follows:

> We meet with you today following a year when the farmers' realized income fell to a new, disastrous low—the lowest in dollar terms for as long as comparisons make any sense; in real terms to 73 per cent of what it was ten years previously. The forecast for 1972, which we sincerely hope events will disprove, signals a further decline. The cost price squeeze has achieved a new, startling and damaging intensity.
>
> This must be stopped. This is the clear message from grain producers, from livestock producers, from egg and poultry producers, from milk producers, from producers of horticultural products.

The brief went on to state something related to a farm income policy which the minister should take into consideration and that would be far more beneficial than his small farm consolidation plan. I quote:

> Whereas it is necessary in the interests of the nation as a whole to maintain an efficient and viable agricultural industry;—

I might point out that one in five firms employing people who are not farmers depends on the primary products it gets from agriculture.

> Whereas the revenues obtainable from the market place are currently insufficient for the survival of primary food or agricultural production;
>
> Therefore it is imperative that supplementary income payments shall be paid by governments on all products which are necessarily required from the agricultural sector, in amounts when coupled with such revenues received from the markets, that will in total maintain solvency for the industry.

That is the kind of farm income policy that the government should be considering. I have already shown the kind of attitude that members of the government seem to have developed. They follow the charts up and down in terms of farmers and economically viable units, whereas if they had any real concern their attack on the problem should deal with the income of farmers and their costs of production. There are some alarming figures which indicate what has been happening. Other hon. members have referred to the amounts of arrears of farmers in the different provinces in respect of Farm Credit Corporation loans. In the province I represent, in 1971-72 the amount of those arrears totalled 21.1 per cent, up from 18.9 per cent in 1970-71, and from 11.6 per cent in 1969-70. Those are critical and telling figures respecting the income problems of farmers.

There are other telling figures which relate to clause 11 of this bill which will allow the minister and the Farm Credit Corporation to implement a small farm consolidation plan without incorporating it in legislation. The 1971 census of agriculture shows that the number of farms in 1971 was 15 per cent fewer than the number of farms in existence in 1966, a mere five years ago. In 1966 in the province of Saskatchewan there were 85,686 farms. In 1971, there were 76,970 farms, a downward variation of 10 per cent.

When the hon. member for Mackenzie (Mr. Korchinski) spoke on this bill he lambasted the provincial government of Saskatchewan for trying to tackle this problem, a problem which has not been tackled by the federal government. It is the first province in the Dominion of Canada which has gone so far as to suggest a land bank commission and a land transfer system to allow more young farmers to get on the land. Considering that, Mr. Speaker, we should not pay any attention to the nonsense the hon. member uttered. Further, the government of the province of Saskatchewan is the first government in Canada to be prepared to took into the whole problem of foreign ownership of farm land. Representing the constituency of Assiniboia, I well realize the problems in connection with farm land being bought up by American buyers. This brings me back to the amendment which was moved by the hon. member for Mackenzie.

I have already said that I am quite concerned about the manner in which a concept of performance standards, of some kind of means test for young farmers, is introduced by that amendment. For that reason I wish to move a subamendment, seconded by the hon. member for Battleford-Kindersley (Mr. Thomson) as follows:

> That the amendment be amended by deleting therefrom the words "where young farmers meet performance standards," and by substituting therefor the words "for young farmers,"

If accepted, the amendment would then read:

> That Bill C-5 be not now read a second time but that it be resolved that in the opinion of this House the government should give consideration to the introduction of legislation to amend the Farm Credit Act by incorporating the incentive principle—already approved by this House in other legislation—to provide for partial non-repayment of interest for young farmers, for deferred interest payments on all loans during an initial period, for equitable adjustment of interest rates for the benefit of borrowers; and, as

well, to provide for open-end loans which will allow additional borrowing without refinancing costs.

That would take out the means test which the Tory party has suggested.

• (1630)

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order. Does the hon. member want to speak to the amendment or—

[*English*]

At this time the Chair is considering the amendment moved by the hon. member. After reading all the precedents that have existed in this House, and also in the United Kingdom, the Chair can find no precedent for the acceptance of an amendment to a reasoned amendment moved on second reading of a bill. On the other hand, looking at the wording of the amendment moved by the hon. member for Assiniboia (Mr. Knight) and its impact on the amendment which has been proposed, at first glance the Chair would be ready to accept it. Unless hon. members would like to express their views as to the acceptability of the change made by this subamendment, I would be ready to put the motion.

Mr. Knowles (Winnipeg North Centre): Agreed.

The Acting Speaker (Mr. Laniel): It is moved by the hon. member for Assiniboia (Mr. Knight):

That the amendment be amended by deleting therefrom the words "where young farmers meet performance standards," and by substituting therefor the words "for young farmers,".

[*Translation*]

Mr. Ricard: Mr. Speaker, the measure now before us, Bill C-5, will apply to a great extent to a large number of people in my riding, therefore, I ought to state clearly my position in this regard.

First of all, I would like to mention that this measure, which affects a large number of Canadians, is worth being examined, reviewed and corrected, so that farmers get as much as possible out of it; and my hon. friend from Mackenzie (Mr. Korchinski) introduced an amendment designed to ecourage young farmers to this end.

If we are to expect that one day farmers as well as agricluture will continue to develop in the country, it is fair to assume that unless enough people are available to take over in this sector, it will be impossible to expect any improvement in our farmers' condition.

The hon. Minister of Agriculture (Mr. Olson) would like us to agree with him completely, to believe him without question and to pass as soon as possible the measure now before us.

However, the past behaviour of the minister leads us to be extremely cautious, because his attitude toward farmers invites us to ask ourselves questions. One must not forget, Mr. Speaker, that it is the present Minister of Agriculture who reduced by $10 million in 1970 the budget of the Canadian Wheat Board. One must not forget that it is this same minister who penalized milk producers for overproduction.

[Mr. Knight.]

Therefore, for all those reasons, Mr. Speaker, I deem it my duty to urge the House to proceed very carefully and to scrutinize in every detail the measure now before us. I am sure we all want farmers to get the best terms possible. As a matter of fact, when we were in power, we gave proof of what I am now saying.

One must recognize also that this government also took measures in order to improve the farmer's lot. There is much more to be done however, and it is up to both government levels to co-operate.

The main reason for my taking part in the debate this afternoon is perhaps more precisely related to that co-operation between the provincial and federal governments in the agricultural field.

One knows that according to section 95 of the Constitution, the jurisdiction in agricultural matters is divided between the provinces and the federal government. I was somewhat shocked yesterday by the diatribe which the Parliamentary Secretary to the Minister of Agriculture (Mr. Lessard) aimed at the Quebec Minister of Agriculture, the hon. Mr. Toupin.

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): He deserved an answer.

Mr. Ricard: I need not say here that I do not hold a brief for him. I am not known as a staunch supporter of the Quebec Minister of Agriculture, but I see in him and in his successors a contracting party to the jurisdiction in the agricultural field.

First of all, the attack the Parliamentary Secretary made against the Minister of Agriculture for the province of Quebec was groundless, for he accused him of statements he never made. In fact, he mistook this for a committee report on the state of agriculture in Quebec. In fact, Mr. Speaker,—

Mr. Lessard (Lac-Saint-Jean): Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Laniel): Order. The Parliamentary Secretary on a question of privilege.

Mr. Lessard (Lac-Saint-Jean): Mr. Speaker, the hon. member for Saint-Hyacinthe just stated that I attributed to the Minister of Agriculture for the province of Quebec statements which are groundless. I am afraid I was sitting in front of my TV set when I very distinctly heard the said minister, the hon. Normand Toupin, state that, because of the federal government policy, it was impossible for the Quebec Department of Agriculture to establish a global policy. That is why I rose yesterday to set the record straight.

The Acting Speaker (Mr. Laniel): Order. The Chair finds it very difficult however to recognize that the question of privilege raised by the parliamentary secretary is well taken. If an hon. member should use this device every time his views or his interpretation differ from those of another hon. member, the House would be constantly debating questions of privilege or points of order. I think this is more a debate or an argument which can better be clarified at a later stage in this debate.

• (1640)

Mr. Ricard: Mr. Speaker, I would like to proceed with my comments by adding that the sharp criticism which the hon. parliamentary secretary directed against his government and probably against his minister when Bill C-176 was being debated has led him to adopt a more conciliatory attitude and that his statement surely purports to cover up this criticism. Unless he was asked by some ministers to make these comments—

Mr. Lessard (Lac-Saint-Jean): This is absolutely false.

Mr. Ricard: —since the higher authorities are unable to muster enough courage to criticize a liberal provincial minister.

At all events, I have noted that the hon. parliamentary secretary has attacked a provincial minister who is party to an agreement for setting up a general agricultural policy that would be viable and profitable to the industry; it is an attack that does no credit to the hon. parliamentary secretary.

In fact, what does that report call for? And I shall ask my hon. friends opposite from the province of Quebec whether they are in disagreement with the report submitted by Mr. Toupin to his Quebec cabinet colleagues. Here are the main general goals:

1) Integration of the agricultural sector in the general economy;

2) Effort to bring farm incomes into line with those of employees in other sectors of the economy;

3) Regionalization and diversification of resources;

4) Mobility and redistribution of resources;

5) Increase in Quebec's self-sufficiency on the agricultural plane;

6) Improved management of the offers of agricultural products and more balanced sharing of markets;

7) Maintaining of a socio-economic infrastructure in rural communities;

8) Increased programs for research and technological and vocational training.

This is what the Quebec Agriculture Minister, following the approach initiated by his predecessor, hon. Clément Vincent, wants to obtain for the farmers of his province. And it is amazing to see a federal representative from the province of Quebec, who happens to be Parliamentary Secretary to the Minister of Agriculture, indulging in an outburst against the provincial Minister of Agriculture.

His predecessor the hon. member for Richelieu (Mr. Côté) would never have thought indeed of making such statements since they only add fuel to the fire and because it is a well known fact that there are differences of opinions, as well as of interests between the two levels of government and that they can only be settled through goodwill, understanding and co-operation. This is why the arrogant attitude shown by the parliamentary secretary is unbecoming to a member from the province of Quebec representing the farming people.

I beg his colleagues for the province of Quebec to behave in such a way that his words may not undermine good feelings between the two levels of government because, there again, the first people to suffer would be the farmers and such is not the purpose of our being elected. In the circumstances, the parliamentary secretary should be the first to promote the interests of the farmers instead of sowing the seeds of discord at those two levels of government.

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): On a question of privilege, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The parliamentary secretary is rising on a question of privilege.

Mr. Lessard (Lac-Saint-Jean): Mr. Speaker, the hon. member for Saint-Hyacinthe has now resumed his seat. He apparently wanted to impute intentions to me when he said that I was against the policy outlined in the white paper of the Minister of Agriculture (Mr. Olson).

It was not at all the reason for my intervention yesterday. It is about the Quebec Minister of Agriculture's statements regarding his inability to bring in a policy because of the federal jurisdiction. I have the support of all my colleagues in that connection.

The Acting Speaker (Mr. Laniel): Order. I would ask the parliamentary secretary to resume his seat.

The Parliamentary Secretary's question is not one of privilege under Standing Orders and the procedure of the House. As I said earlier it is more a matter of debate and I do think that hon. members will be able at a later stage to express their views thereon.

Mr. René Matte (Champlain): Mr. Speaker, as my hon. colleague from Bellechasse (Mr. Lambert) pointed out yesterday, this bill includes certain aspects with which we agree.

Granted, it is now easier to obtain the credit required to develop Canadian agriculture. Still, we must, as members of the opposition, point out what I would call the silences, the absences, the oversights with regard to introducing real reforms intended to solve at long last the problems of agriculture in Canada.

Some time ago, the right hon. Prime Minister (Mr. Trudeau) himself tacitly recognized the existence of problems, and even recognized the absolute necessity of not staying put and of solving, from the ground up, the basic problems of the agricultural industry.

Again as the hon. member for Bellechasse said yesterday, Mr. Speaker, it is all very well to give the farmers greater credit facilities, but we must consider above all the means of making farming profitable to the man who devotes himself to it.

We must assure to producers a fair income comparable to the average income of those in other professions.

Mr. Speaker, when we have to face such facts and a government recognizes its deficiencies, we wonder why it does not bring in some amendments to solve all those problems. I agree that it is easy to criticize, to make suggestions.

Mr. Speaker, the government gets some real assistance in that field, especially from all Canadian farming unions, among others, the Canadian Federation of Agriculture as well as the CFU in Quebec.

• (1650)

Mr. Speaker, it would seem that the views of those who live the day to day problems of agriculture should be considered when legislation is drafted.

May I quote a few suggestions contained in the brief which the Canadian Federation of Agriculture submitted last April 10. It says:

An adequate adjustment and development program should ensure—

—here follows a list of different things such a program should ensure—

That governments set up, in co-operation with representatives of agricultural associations, a land purchase program that would enable farmers aged 55 and over who wish to retire, to sell their property which could probably be used to consolidate adjacent farm land surrendered to the Crown or transferred to development organizations for further development or distribution.

That a land transfer program allow present farmers to acquire the additional land that will become available and that the greatest possible number of people be encouraged to remain in the rural community.

Mr. Speaker, we are faced with a problem of migration from the farms, especially in some regions of Quebec, and I have not yet gone through the statistical data of last year's federal census. But at first glance, and according to reports received last week, I noticed, for example, that in the Champlain riding which I am honoured to represent in this House, there was a decrease of 7,000 people. Champlain being mostly a rural riding, it shows once again that the state of agriculture compels a great number of producers to abandon the industry.

The price support policy is not, in my view, a way of ensuring better food for the people. This, I think, is forgetting about the most essential problem, that of feeding individuals.

Here is another point that the Canadian Federation of Agriculture stressed, and I quote:

That support be given to those federal policies aimed at improving the opportunities offered by agriculture and providing other possibilities for those who wish to leave this industry for other sectors of work.

Indeed, many people are facing enormous difficulties; these are concrete problems that we experience daily.

The quotation goes on:

That the Canadian government be urged to establish a retirement plan to help the farmers who want to leave their farms but whose income is not sufficient to meet their needs.

Such is the situation of dairy producers, for example, in Quebec, who have worked for 10, 15, 20, 25 or 30 years to produce a food that is essential to life, that is milk and its by-products. These people come to the end of their working life and do not have enough money for an honorable retirement. That is a shameful situation in a country as rich as ours. I go on with the quotation:

That every effort be made to avoid the creation of new structures or new departments duplicating present federal or provincial departments.

The Canadian Federation of Agriculture is referring to the famous conflict mentioned earlier by the hon. member for Saint-Hyacinthe (Mr. Ricard), and I am referring to the harsh words spoken yesterday against the Quebec

[Mr. Matte.]

Minister of Agriculture by the Parliamentary Secretary to the Minister of Agriculture (Mr. Lessard).

Mr. Speaker, it is useless to cover one's face, and to shut one's eyes; one must admit that there is a conflit, that the orientation now given by the Quebec government to agriculture does not agree with that of the federal government.

We are dealing with a problem and it is not by accusing the Quebec government of mismanagement of public affairs that we shall come to a solution. It is obvious that in a country as large as ours, where you find areas as different as Quebec and the western plains, the role of the federal government is then that of a coordinating body. The federal government should aim at a better distribution of the goods and farm products in all parts of Canada. That should be the major objective of any federal government rather than attempting to interfere in areas which may appear to be within its jurisdiction under the Constitution, but which in fact, for all practical purposes, because of the duplication of departments and agencies, lead to injustice.

This may be one of the main reasons why the Quebec farmers think—and they may be wrong—that the Western farmers have a better deal.

The fact that they think so, Mr. Chairman, is detrimental to the very existence of our country. The federal government should make every effort, through appropriate coordination to avoid such conflicting views.

In order to emphasize this point, I should like to read into the record a letter which a Quebec farmer sent to the newspaper *Terre de chez nous* in which he described one of the problems I have just mentioned. I quote:

QUEBEC FARMERS PAY MORE THAN FOREIGNERS FOR THEIR GRAIN

Why must livestock breeders in Eastern Canada pay more for their grain than Westerners? The federal government has refused until now to comply with a request by minister Toupin supported by the UCC, which would force the Canadian Wheat Board to adjust rates so that livestock breeders in the East and in the West be treated as equals.

Even foreign countries that import feed grains from Canada pay less than we do. Are we going to put up with such injustice much longer? First of all a Minister of Agriculture for Eastern Canada should be appointed. There was some mention of this in Mr. Pearson's time but it did not materialize.

Mr. Trudeau has announced that a five-dollar subsidy would be paid to hog producers, but this payment applies only to hogs that are sold slaughtered, whereas in Quebec a large proportion of hogs are sold live at auction. This deprives many producers of a substantial income to which they should be entitled. Let us hope that the federal government will comply with UCC's requests and make all hogs eligible for this subsidy.

Mr. Speaker, this letter from a farmer—

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but the House must now proceed with consideration of private members' business.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Income Tax—Suggested increase in exemption for retired persons or granting of tax credits in budget; the hon. member for Athabasca (Mr. Yewchuk)—Indian Affairs—Request for statement on action to protect rights in relation to James Bay hydroelectric project; the hon. member for Regina East (Mr. Burton)—Manpower—Local initiatives program—Funds allocated, amounts spent, applications received, by provinces.

[*English*]

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

As no private bills are listed on today's order paper, the House will proceed to the consideration of notices of motions (papers).

Mr. Jerome: Mr. Speaker, I rise on a point of order. I think there is disposition among the members of the House to stand those items which precede motion No. 8, standing in the name of the hon. member for Winnipeg North (Mr. Orlikow), it being resumption of the debate on that measure. I believe the records will verify that at the conclusion of the debate during the last private members hour, the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Perrault) was in the midst of his speech. Possibly he might conclude his remarks.

• (1700)

The Acting Speaker (Mr. Laniel): Hon. members have heard the proposal of the parliamentary secretary that motions 2, 3, 6, 36 and 38 be stood and that the House proceed with Motion No. 8 on the understanding that the hon. Parliamentary Secretary to the Minister of Manpower and Immigration (mr. Perrault) will conclude the debate. Is this agreed?

Mr. Knowles (Winnipeg North Centre): Conclude his speech, surely.

The Acting Speaker (Mr. Laniel): Conclude his speech.

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

MANPOWER

REQUEST FOR COPY OF STUDY OF MANPOWER UTILIZATION OF THE MANITOBA GARMENT INDUSTRY

The House resumed, from Thursday, April 20, consideration of the motion of Mr. Orlikow:

That an Order of the House do issue for a copy of the study by Summerour and Associates Inc., Atlanta, Georgia, undertaken for the Department of Manpower and Immigration regarding the "Analysis of the Manpower Utilization of the Manitoba Garment Industry".

Mr. Ray Perrault (Parliamentary Secretary to the Minister of Manpower and Immigration): In effect, Mr. Speaker, this request for the tabling of a report in relation to the Manitoba garment industry expresses the concern of the mover of the motion with respect to the present position of the textile and clothing industry in the great province of Manitoba. This is the largest manufacturing industry in Manitoba, and the Department of Manpower and Immigration has made special efforts, both through immigration and through training in industry to meet the employment demands of that industry. As I stated earlier, between April 1, 1967, and June 1, 1969 alone, the cost of such special measures approached $300,000, a not inconsiderable sum of money. This is the background for our consideration of the motion under discussion.

In 1969, the Department of Manpower felt that additional efforts were warranted. It invited the industry and the Manitoba department of industry and commerce to join with it in a study to determine the extent and causes of the high labour turnover in the industry. It was the view of the federal government that the relatively high labour turnover and the chronic labour shortage should be made the subject of an investigation. This view won the support of the then government of Manitoba and of all those concerned with the industry—the companies involved and the trade union movement. So a committee was formed representing the two levels of government and the industry. It was known as "The clothing committee." The industry itself arranged for some 20 firms to participate in the study, and more than 200 present and former employees agreed to be interviewed in depth.

This is the crux of the matter. Certain terms and conditions were agreed upon at the time the clothing committee was established. An understanding was reached involving both levels of government, the industry and the workers. It was an understanding that any information supplied would remain confidential as between those involved. I do not think the hon. member who moved the motion before us is aware of this background. On the basis of this assurance, this guarantee, workers and employers provided full, frank, and, in some cases, extremely subjective opinions on questions of staff training and working conditions. Most of the interviewing was carried out by officers of the Department of Manpower and Immigration.

The firm of Summerour and Associates, one with a world reputation in this particular field, was retained to provide technical advice on the structure of the study, to assist in the analysis of data and to recommend training and selection techniques for the resolution of difficulties

which might be identified. The consultants fee was shared between the province and the Department of Manpower and Immigration, and the total cost was $7,050. It was a condition of the contract that all results, including the final report, would be confidential to the clothing committee and its corporate members.

What has been the outcome? What improvements have been noted since the production of the report? The expansion of the Manitoba garment industry has been such that it has not been necessary to invoke the provision of the displaced textile workers adjustment assistance regulations. In other words, there is work for practically any displaced person who wants it in the textile industry of Manitoba and in the garment industry of Manitoba. The value of production has increased by more than one third since that study was carried out; exports have more than tripled and are now estimated to reach at least $16 million a year. Recently, a new plant has been opened, one of the most modern and efficient in the world. This reflects great credit on the workers of Manitoba. It reflects great credit on that province and on the industry there. It says a great deal for the initiative which all have taken collectively.

The industry is a highly competitive one, and the fact that a Canadian province, situated where it is, could become so highly successful is, as I say, a credit to that province and to Canada. The expansion has taken place primarily into high quantity and high quality lines. This has resulted in a demand for increased skills at all levels. It is this growing demand, rather than turnover of staff, which is creating the current shortages in certain occupations. Some orders with respect to workers needed for occupations where labour is not available in Canada are being directed to our offices abroad, but this is only done when the Canada Manpower Centre is convinced that working conditions in the plant concerned are acceptable by general Canadian standards, that Canadian workers cannot be recruited in sufficient numbers and that suitable employment will be available to anyone recruited in this way. Naturally, all people so recruited must meet all other admission standards under our immigration regulations.

The following are some of the steps taken by the industry to improve worker opportunities since the clothing committee undertook this study in depth of the garment industry of Manitoba: one, establishment of personnel departments or the assignment of this function to a particular individual; two, establishment of good selection standards; proper applicant interviews and in-plant training systems to help employees maintain productivity; three, general improvement of work areas; establishment of adequate rest and recreation areas; provision of in-plant music; generally improved personnel relations; four, organization of a personnel management course in co-operation with University of Manitoba; five, organization of a management improvement course in co-operation with Department of Manpower and Immigration; six, establishment of an industry school for sewing machine operators to provide vestibule training for new entrants.

I should like to say a few words, now, about the positive thrust of manpower and immigration activities which these efforts reflect. Our department employs the services of an aggressive, enthusuastic staff of 255 men and women serving Manitoba. Operating from 12 urban areas. staff members visit and serve people in a total of 114 communities. In the year 1971-72, they found work for almost 36,000 Manitobans. I was sorry to hear the leader of the New Democratic party attacking the Department of Manpower in the House the other day for failing, acocording to him, to provide the right jobs to people who have been trained to fill them. The record of success in many provinces has been an excellent one. The figure of 36,000 I have mentioned amounts to an increase of some 8,000 over the previous year. In the same period the employed labour force grew from 349,000 to 359,000. So Manpower and Immigration found work for about 80 per cent of this increase.

During the same period the number registering for employment dropped by 4,000 in spite of the growth in the labour force. This illustrates the success achieved in increasing job opportunities during a difficult economic period. In the same fiscal year 1971-72, the department purchased 757,270 training days from the province on behalf of clients. This was at a cost of $3,712,000 for training and $6,472,000 for allowances. A further 80,000 training days were purchased from employers under training in industry contracts and this cost an additional $807,000. The word should not be "cost". The word should be "investment". Some people are critical of the program of the department of manpower but those members of parliament in all parties here realize the value of it. If we can turn out additional number of people with skills, such as unemployed people and, yes, taxpaying citizens, we will attain something in this department and these achievements are being reached every day. All in all, about 10,000 persons acquired improved or new skills as a result of these expenditures. During the winter just past, another 3,000 trainees were placed under the Canada manpower on-the-job training program at a further cost of some $3 million, while 201 projects under the local initiative program found work for 3,000 more at a cost of some $5,365,000.

• (1710)

The garment industry, which is under discussion in this particular debate, has received its share of trainees under these programs as suitable firms were identified and over 1,400 persons have received training as operators since 1968 by training in industry, while a further 670 persons found employment this winter under training on the job.

In conclusion, Mr. Speaker, may I say that a number of recommendations made by the clothing committee which I discussed earlier were made to enable the industry to introduce programs and policies. I have just given some examples of how many firms have implemented these policies and these recommendations to reduce turnover through improved training and personnel policies. Should severe labour difficulties again arise in the sector, should the Department of Manpower and Immigration again consider it advisable to assist in such recruiting or training measures, its participation will be directed toward programs undertaken on behalf of those employers adopting the recommendations from the clothing committee. Because of the nature of the study; the type of information sought and received; and the commitments made to

participants, neither the industrial nor the provincial representatives to the clothing committee, representing the government of Manitoba, will agree to the publication of this report. We concur in this stand.

In brief, if the House were to approve this motion it would result in the government breaching a contractual agreement with a provincial government and a major Canadian industry. It would violate a promise to the working people of Manitoba who participated in the study and were given an assurance that what they said would be held in confidence. We will never betray that trust given to us by the workers of Manitoba. This could cause them painful embarrassment in many cases because I assure you some of them were very frank in some of their comments. It would destroy the usefulness of an effective economic tool which conceivably could be used to employ a lot of other Canadian workers in the future. In other words, this is a technique which has been highly successful in removing many of the problems from the garment industry in Manitoba. It is a technique which can be used in other provinces. If we were to break trust with the workers of Manitoba it would no longer be possible for this government to go to any workers in any part of Canada and say, "Place your trust in us, tell us all your problems", because at some future date all their remarks may be placed on some public record to their severe embarrassment and even perhaps to their economic danger.

Mr. Speaker: Is it the wish of the House that the question be put at this time.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): Carried.

Some hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: The motion is negatived on division.

Motion (Mr. Orlikow) negatived.

* * *

POST OFFICE

REQUEST FOR COPIES OF LETTERS COMPLAINING ABOUT SERVICE

Hon. W. G. Dinsdale (Brandon-Souris) moved:

That an order of the House do issue for copies of all letters received by the Postmaster General or any other members of the government since January 1, 1971, complaining about postal services and the replies thereto.

He said: Mr. Speaker, when this motion came up for consideration yesterday, the parliamentary secretary declined to accept it on the ground that it was physically impossible to gather all this correspondence in one central location as the correspondence is spread throughout the country. He also said that the cost would be enormous and asked under the circumstances that the hon. member withdraw his motion. I raised slight opposition to the interpretation of my motion because I do not believe it is quite accurate in terms of the wording of the motion before us today in which I ask for copies of all letters received by the Postmaster General or any other member of the government since January 1, 1971, complaining about postal service and the replies thereto. Actually my motion was quite specific. I was not talking about complaints which came into the local post offices across the country. Rather I was attempting to zero in specifically on complaints which came to the Postmaster General or to the other members of the government. Therefore, I cannot understand why the Parliamentary Secretary to the President of the Privy Council (Mr. Jerome) talked about gathering all correspondence in one central location and stated that the correspondence is spread throughout the country.

I believe Ottawa is the seat of government, and any one who would be affected by the motion I have before the House would be located in Ottawa. This, I believe, would considerably narrow the terms of the notice of motion at least from the standpoint of the interpretation placed on it by the parliamentary secretary. Therefore, once again I should like to ask the government if it would give us copies—this covers only a period of a year—of the letters of complaint received. If that should be too large a task, as I suggested in my remarks yesterday, perhaps we should be given a sampling of the mail since I imagine much of it would be repetitious. It perhaps could be broken down into groups of topics. In this way the government could give us some idea of how the public feels about the rather disastrous deterioration in the mail service over the past three or four years in Canada.

I should like to mention some of the topics which come to my attention. I am sure all hon. members can verify this. One of the most active areas of correspondence, and even in this regard there is considerable delay, is that related to complaints we receive from our constituencies concerning the decline in the quality of postal service, which used to be one of the best to be found anywhere in the world, while at the same time skyrocketing costs in the past four years have increased the cost for class A mail by 100 per cent. Nobody in these days of runaway inflation objects to the idea that an increase in costs demands an increase in the price of stamps and so forth.

• (1720)

The real complaint arises from the fact that while the cost of mail service is increasing the quality continues to decline. Perhaps the major complaint concerns the inexplicable delays in mail delivery from time to time. There are occasions when a letter within a large city will take as long as three or four days to travel from one point in the city to another. There have been examples of a piece of

first class mail from Vancouver taking as long as two weeks to be delivered at a point in eastern Canada. On other occasions, the mail fails to arrive at all. I brought to the attention of the minister through correspondence the question of mail travelling from Canada to the United States failing to reach its destination. One of the explanations given is that when the five-day week occurs during holiday periods, such as over Christmas and New Year's, there is an unusually long delay because the two successive long weekends bring mail delivery almost to a standstill in many parts of Canada.

Because of this problem, the postmaster has been musing out loud that perhaps the six-day mail delivery should be restored to the urban parts of Canada as it was restored in the rural parts. I want to seize this opportunity once again to emphasize that members of the official opposition and of other opposition groups would have no hesitation at all in recommending to the Postmaster General (Mr. Côté) and the government that the six-day mail delivery system should be restored. We are all completely dependent upon mail services. The business life of Canada is particularly dependent upon it as it is the basic, fundamental means of communication. Surely, a government which places such emphasis on technological innovations in the communications field, such as a satellite which, at a cost of some $90 million, is going to be placed in synchronous orbit with the earth some time next fall, and a government which ventures off into this sophisticated and rarified atmosphere of modern communications in Canada, could give us mail service which is somewhat better than the old pony and cart days. Sometimes I think the mail service today is slower than it was before the advent of trains and all the other modern means of transportation.

Basic to this is obviously the restoration of six-day mail delivery. Instead of wondering whether it should be restored, I urge the Postmaster General to re-institute this service immediately and he will receive the gratitude and plaudits not only of members of the opposition who have been advocating this but the public of Canada. I am sure such a move would help to restore the level of morale among the employees of the Post Office Department who, over the past few years, have been venting their spleens against the maladministration of the Post Office Department by rotating strikes, working to rule and other techniques of that kind.

If the parliamentary secretary to the responsible minister could give me some samples of this sort of complaint and representation from every part of Canada, we might really have a cross-section of public opinion on this problem of delays of mail delivery and non-delivery. I have received complaints from my own constituency, and other colleagues in the House have passed along complaints from their constituencies. I am sure the pattern is repeated in every part of Canada. It is for this reason I am anxious to have a sampling of the protests from the public outlining this particular problem.

There is one area in respect of increasing costs of postal services I should like to emphasize today. Here again, I am sure the protest has been loud and long from the public. Not only do I refer to the general increase in the cost of postal services, such as the 100 per cent increase in

respect of first class mail, I have in mind a specific area about which I should like to get further background information. I refer to the briefs, representations and protests that must have come from charitable organizations in Canada which have depended on a special postal rate in order to realize success in their appeal for funds. I could mention many groups.

At the time the Post Office Act was amended to remove this special postal privilege there were voluminous protests from groups such as the War Amps of Canada, the tuberculosis Christmas seal drive and so forth, all of which depend upon a nominal postal charge to communicate in a massive way with the people of Canada. Protests were made at the time the subject was debated in the House. The Postmaster General indicated he would give very serious consideration to these representations and, if he found that real injustice had been caused by this rather arbitrary adjustment upwards in postal rates, he would take the necessary action. I am sure it has been long since demonstrated that real hardship was created by this substantial increase in the rates which had formerly been given to charitable groups.

• (1730)

I know, for example, that War Amputees are having difficulty carrying out the mass mailing of automobile licensing tags. They have tried to find alternative methods of delivery through private facilities. In some cities this is possible, but in the more isolated parts of Canada it is impossible to get the service they had formerly. In larger cities where distribution has been carried out by other than the postal service, this represents a substantial decrease in the revenue of the Post Office Department because it has been found that private entrepreneurs can distribute these items at a nominal cost and still realize a sufficiently large profit.

I am sure that one of the reasons the Post Office Department in recent years has been showing increasing deficits is that they have lost revenue of this type. Because of the interruption of services due to rotating strikes, and so forth, they have lost to private carriers the business that was carried out almost exclusively by the Post Office Department. It is business they will never recapture because private operators are able to supply the service at a considerably lower cost than the Post Office Department.

Here are some of the facts concerning the deficit picture as shown in a parliamentary return. There has been in recent years a substantial increase in the deficit. From 1961-62 to 1967-68, first-class mail realized a profit. The highest profit was $30.3 million in 1970-71. Even with the increase in the first-class postal rate, there has been a deficit in recent years. For example, in 1971-72 the deficit was listed as $15.1 million. Fourth-class mail showed a modest profit until 1966-67. This is mail the distribution of which requires a minimum of effort, minimum handling, such as the mailing of literature, and so on, by charitable organizations which work on a mass mailing basis. As I say, fourth-class mail showed a profit until 1966-67, but since then there has been a deficit for each year.

When we go to other classes of mail we find the same picture. The deficit is closely related to the declining ser-

vice, resulting in a loss of business which used to be handled by the Post Office Department. This amounts to running so as to stand in the same place. The department hardly maintains the same position, because in order to meet the deficit resulting from loss of revenue due to declining service there has to be an increase in the cost of postal service, which results in further loss of business. Obviously, it is a losing game.

I should like to receive further background information. I can well understand that the Post Office Department has become so inefficient that, as the parliamentary secretary indicated, voluminous protests are coming in from all parts of Canada. However, I am willing to take a reasonable position on this matter and suggest that the government deals with just a sampling of the protests that have been received.

There is another area of Post Office problems that I am sure has generated many letters of protest. I refer to the failure of the government to come to grips with the complaints of its own employees. In 1969 I received from the Fort William—Port Arthur and District Labour Council a letter which outlined some of their problems in this respect. Another letter came from this group, dated March 30, 1972, which makes complaints about the working conditions at the Thunder Bay post office. I am sure hon. members representing these areas have received copies of these letters, because the correspondence mentions that they were sent copies.

Obviously, labour relations present serious problems to the Post Office Department. The most recent negotiations took place in 1970. They went on for month after month without settlement, and eventually—

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Some hon. Members: Carry on.

Mr. Speaker: The hon. member may continue with the uanimous consent of the House.

Some hon. Members: Agreed.

Mr. Dinsdale: Thank you, Mr. Speaker, and through you I thank the members of the House for their courtesy. I shall not trespass unduly on the time allowed but will try to bring this part of my statement to a conclusion and leave the matter there for the time being. As I was saying, labour relations within the Post Office Department have been most unsatisfactory for the past two or three years. In the most recent negotiations in 1970, no action was taken to improve the salary situation until the employees engaged in a period of rotating strikes which caused considerable disruption to the postal service of Canada, along with all the other problems that I have outlined briefly this afternoon.

We are in the same situation in 1972. The contract has run out. It is now a month since the employees have had a contract. It was admitted in the House the other day by the President of the Treasury Board (Mr. Drury) that no specific offer had been made to the postal union members, notwithstanding the fact that they are operating without a contract. It appears that the same delay and procrastination will result in a repetition of what occurred in 1970. The government will not be prodded into taking positive action until the employees are forced to protest, perhaps in the form of rotating strikes, in order to bring to the attention of the government and the Postmaster General (Mr. Côté) the difficulties under which they are working.

I have received a few letters from several local labour councils on the matter. Again, I do not want to be unreasonable but I am sure that from all parts of Canada similar complaints must be reaching the Postmaster General. Therefore, I think it is a reasonable request that some of these letters be made available so that members of the opposition might have an idea of the broad spectrum of public opinion on the deteriorating efficiency of the Post Office Department. I repeat what I said at the outset of my remarks, that we are not asking for correspondence received from isolated districts. This is a reasonable demand, Mr. Speaker. I hope the government will provide members of the opposition with the information necessary to carry out an intelligent appraisal of the problem.

• (1740)

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, it is a sad commentary on the disastrous deterioration on the front benches of the official opposition when we see them bring forward a silly motion like this, what I would have described as a tongue-in-cheek motion, asking the government to produce the kind of criticism, comments and letters which the hon. member seeks. To give him his due, he tried to protect his motion by saying in effect, "That isn't what I have said and it isn't really what I am looking for."

The situation, Mr. Speaker, is that other hon. members of this House have on the order paper motions for the production of papers which were put forward sincerely in the hope that they would have an opportunity to debate and vote on them. These motions seek papers that hon. members are genuinely interested in having produced, but today we have this motion for the production of letters which the hon. member seems to think are as important as other motions which have appeared on the order paper.

When President Johnson left the White House he gave an address in which he outlined the three great problems facing the United States: first was the war in Viet Nam, second was the race relations problem, and third, dealing more with the financial area and the question of efficiency, was the Post Office. It is recognized throughout the world that there are problems in this area. To suggest that we have a poor post office system is not in accordance with the facts. If the hon. member is so critical of the post office staff, I suggest he should attempt to learn what the post office does on the positive side and not be content to rely on the few letters of complaint that he receives.

Mr. Dinsdale: They are voluminous, according to the parliamentary secretary.

Mr. Cullen: If the hon. member did a little research and asked people to write about the good service which the post office provides, he would find the correspondence to be much more voluminous than the few complaints he has

received. Part of the problem is that he has not undertaken enough study to know what the Canadian Post Office does. No less a person than Peter Harrison, commenting on a CBC radio program on December 17 last, gave the other side of the picture. Apparently he did considerably more research than the hon. member for Brandon-Souris (Mr. Dinsdale) when preparing his motion. I think his radio comments bear repeating.

Mr. Dinsdale: We cannot get any information from the government in order to know.

Mr. Cullen: There is no shortage of information available. Apparently Mr. Harrison was able to get full information, and he is not even a member of this House. In his radio talk he said:

It seems to me that the Canadian postal service is always being maligned by people who haven't got the slightest idea of how mail is handled or how it's paid for. The closest they've been to a mail handling operation is when they bought a stamp, and supposedly that gives them the right to spout absolute nonsense at the drop of letter.

Let's have a look at the Canadian postal service for a minute. From the latest figures for 1970, the government spent approximately $532,000,000 on postal service. Revenues were only $432,000,000. Therefore there was a deficit of about $100,000,000.

When the hon. member was quoting statistics he did not bother to point out how much the postal workers were making from 1962 to 1967. Their low wages gave the Post Office Department a better profit picture then than it has now. Mr. Speaker, I think we should be paying these people what they deserve, without trying to make a profit at their expense. Mr. Harrison pointed out:

Labour costs were $311,000,000 and the post office handled five billion—I repeat five billion—pieces of mail. There are about 10,000 post offices in the country and about 44,000 postal employees, 16,000 of those are letter carriers. An interesting point to note is that out of 10,000 post offices 65 of them account for approximately 80 per cent of total revenues. The rest only contribute 20 per cent, but are kept open because the Post Office Department is a service-oriented organization and everyone has the right to a mail service.

If we listen to the hon. member, Mr. Speaker, I believe he is suggesting that we should close down all these other post offices, forget about service and concentrate on making a profit so that the Post Office Department can end up in the black. I do not think his party would advocate that the people served by these other post offices should be deprived of service, albeit they are not paying in full for it. I continue the quotation:

As for the deficit, that comes out of the taxpayer's pocket in the form of a subsidy.—

The two complaints most often heard are the high postage rates and the speed of service. Canada has the cheapest postal service in the world on an hourly earning basis. That is, we handle more mail cheaper than any other country and do it at a lower postage rate. That's why we have a deficit. People who complain about high postage rates don't know what they're talking about. There were almost no rate adjustments between 1930 and 1968, and no organization can afford to pay today's prices for services at yesterday's revenues. We don't expect private industries to do it, so why expect the Post Office to do it?

Raising the postage rates puts the burden of supporting a postal service directly on the individuals or businesses that use it, and if the rates are not increased the deficit will increase and this puts the burden on all taxpayers whether or not they use the service. It's about $12 per family in Canada now and, frankly, how many people do you know who use an extra $12 worth of stamps in a year? At an extra penny apiece that's 1,200 stamps. The average individual in Canada only buys 28 to 30 cents worth per year. So it boils down to "How do you like your poison?—a penny or two on each stamp or extra dollars on your tax bill!" Think about that one before jumping on the postal department again.

As far as speed of service is concerned, it's getting better all the time. The Post Office Department has been breaking its back to organize what is essentially a labour-intensive, out-moded method of mail handling into a streamlined service. The program is designed to reduce the number of times that a piece of mail has to be handled and to mechanize operations wherever possible. A one-day assured mail service has been inaugurated between major Canadian cities and its success rate in meeting the one-day time limit is between 90 to 98 per cent. That's better than any other government department that I can think of—

I do not know whether I can use the word that he uses here, Mr. Speaker, but he says that it is a "blank" sight better than a lot of private industries.

A new postal code has been devised so that mail can be machine-sorted much faster but that effort will be stymied unless of course the public takes five minutes to memorize their code. All of this has happened in the past year and it required a lot of effort on the part of all postal employees. What do they get for it? A kick in the rear instead of a pat on the shoulder for a job well done. If people are really in such a hurry to get their mail, or to send it out, perhaps they should or could send in constructive suggestions to the Post Office Department on what to do when there is an ice storm, all aircraft are grounded and the mail doesn't move. I'm sure the department would be happy to receive them instead of the usual "Ah, Ah! My letter didn't arrive in 24 hours." Let's give the Post Office Department a little time to improve further and if you have to take out your frustrations on something why not try the revenue department on the slowness of income tax returns?

That is a positive view expressed by Peter Harrison, who is hardly known as a friend of the government. It is not the kind of ill-informed criticism of the Post Office that we get from those who do not take the time or effort to make constructive criticism of a department that is doing a fantastic job under difficult circumstances.

• (1750)

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, the hon. member for Sarnia-Lambton (Mr. Cullen) would make an admirable lawyer for the defence. I will not argue with some of the statistics that he quoted in defence of the Post Office Department. On this side of the House it is our purpose to draw attention to things that sometimes do not work very well, and hopefully I can do this in a constructive fashion to satisfy the hon. member.

I should like to speak for a moment about a newspaper in my constituency, the Kindersley *Clarion,* which serves not only the town of Kindersley but the surrounding small villages and farming area. People use it to advertise social events and business or commercial enterprises of interest to people in the area. It is a weekly paper published on Wednesday night or Thursday morning. In order to be of any use to the people in the district in regard to weekend events, it has to be in the mail by Friday.

As I understand it, communities east and west of Kindersley receive the newspaper at the proper time. When it moves off the route to communities north and west, for example Hanley, then it frequently arrives late—and if it does not arrive by Friday it is not of much use. Since there is only one paper serving an area such as this, obviously the people want to get it. When we consider the distances involved, it could be delivered by pony express

which is not even going too fast. This is the kind of service that we would like to see improved.

I have written to the Postmaster General (Mr. Côté) about this matter but have not had a reply from him. I am not really interested in why the paper arrives late at these places, but I want something done about it. As I understand it, the mail formerly sorted at Rosetown has to go to Saskatoon and then come back to these communities. It seems to me that if this is an improved service, a new venture by the Post Office, they should look again at the speed with which the mail moves. When it formerly had to go to Rosetown and come back by another line, it moved fairly rapidly—but that is not the case now.

It has been suggested to me that these little newspapers do not arrive in Calgary until the following Monday or Tuesday. This is much too slow, I receive it in the House of Commons on Monday or Tuesday, and if the Post Office can deliver it here they should be able to deliver it to Calgary which is much closer. I look to the hon. member for Sarnia-Lambton to see that the mail is delivered in a better fashion. I am no technician with regard to Post Office facilities but I have great respect for most individual postmen. If we are going to introduce changes such as I have indicated, I think they should give the same service as was given previously, and not less. This, I contend, is what we are trying to achieve.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, I listened with much interest this afternoon to the hon. member for Battleford-Kindersley (Mr. Thomson), the hon. member for Sarnia-Lambton (Mr. Cullen) and the hon. member for Brandon-Souris (Mr. Dinsdale) when they spoke of complaints concerning the postal service.

I want to take a few minutes to say that the people I represent are extremely concerned that there be an efficient postal service and that it be continuous and reliable. One of the genuine threats that concerns me and the people of the Ottawa valley is that of labour disputes which, under certain circumstances, might lead to strike action by those responsible for mail delivery. This, of course, places an undue hardship upon people who conduct their business through the mail and those who receive old age pension or family allowance cheques. This concern of many people was mentioned by the hon. member for Brandon-Souris at the end of his speech and I think it is very valid. All of us must encourage the President of the Treasury Board (Mr. Drury) and others to negotiate in good faith with Post Office employees and attempt to head off any breakdown in the mail service.

I think it is worthy of comment that the mail service has been expanded and improved in some areas in recent years. In two towns that I represent, Arnprior and Perth, house to house delivery has been inaugurated in recent months, with the general approval and appreciation of residents.

From time to time when I look at the economic balance sheet of the Canada Post Office and notice the deficits and the steps taken in recent years to bring some semblance of balance to the department, I wonder if there might not be some advantage in turning mail delivery over to private enterprise. It is true we have a parallel

with the bell Telephone Company which has almost a monopoly in their type of communication. It is also true that many people feel that Bell has increased rates exorbitantly. But many of us wonder if it would not be worth while to consider turning postal deliveries over to such an enterprise and setting up a system that could be administered efficiently.

Mr. Speaker: Order, please. The hour set aside for private members' business has expired. It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

[*Translation*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FARM CREDIT ACT

AMENDMENTS RESPECTING LOANS AND POWERS AND CAPITAL OF CORPORATION

The House resumed consideration of the motion of Mr. Olson that bill C-5, to amend the Farm Credit Act, be read the second time and referred to the Standing Committee on Agriculture, the amendment of Mr. Korchinski (p. 1872) and the subamendment of Mr. Knight (p. 1903).

Mr. René Matte (Champlain): Just before recess, Mr. Speaker, I indicated how all these conflicts of jurisdiction between the federal and the provincial governments may prove a great obstacle to the development of Canadian agriculture. When we talk about these problems, we should not minimize them, as the Parliamentary Secretary to the Minister of Agriculture (Mr. Lessard) did.

For indeed one can read, in some farm papers in the province of Quebec for instance, many such headings as the following: "The Catholic Farmers' Union and the feed problem: Ottawa recognizes the unfairness of the situation but fails to correct it." This appeared in the February 9 issue of *Terre de Chez nous*, page 4.

In the same issue of this newspaper one can read and I quote:

> The assistance measures to producers announced by Prime Minister Trudeau have been received rather cooly by the people first concerned in Quebec.

On May 3, 1972, *Le Devoir* printed an article entitled "Quebec agriculture suffers mainly from conflicts between Ottawa and Quebec". This newspaper was referring to the comprehensive farm development plan introduced by the Quebec government.

It is obvious that there is a conflict. Let us not ignore it but rather let us find the true solution.

As I said earlier in my remarks, the farm organizations are at least in a position to supply parts of the solution

and more attention should be paid to them. As a matter of fact, the Canadian Federation of Agriculture recommended that a special effort be made to avoid the establishment of new structures or of a new department overlapping the present federal and provincial departments.

The problem is real, Mr. Speaker, when it comes to these conflicts.

The governments should establish a policy and procedures to enable young people to improve their skills in farming techniques. And after they have proven their ability and honesty they should be given the possibility of diversifying their production and purchasing viable family farms.

Many young people are prepared to devote themselves to agriculture but this should be made much easier for them. Thanks to the amendments to the bill some real gaps in the act will be filled and I commend the minister for that.

But we should go a little further, and a telegram received this afternoon from the Canadian Federation of Agriculture, concerning Bill C-5, recommends that loans to co-operatives or to family farms or other operations should be granted up to $250,000. Moreover, the Canadian Federation of Agriculture also states in its telegram from Mr. Munro, that it would like the interest rate on these loans to be set at 5 per cent. These are measures likely to really help the farmer.

When the government is willing to improve even more legisltion in this area, it will have, as my colleague from Bellechasse emphasized it yesterday, to introduce such legislation as to provide an adequate income to the producer. In order to get a sufficient income, it will be necessary for all Canadian producers to really come to a mutual agreement in order to promote all endeavours in every region in Canada.

• (2010)

Mr. Léopold Corriveau (Frontenac): Mr. Speaker, as the House is proceeding with its study of Bill C-5 entitled: "An Act to amend the Farm Credit Act", it is with pleasure that I am taking the floor to participate in the debate with members who have already expressed their views.

As I represent an agricultural constituency, it is very important that the House takes the decision of introducing these amendments as soon as possible.

These amendments aim mainly at increasing the ability of the Farm Credit Corporation to meet the needs of some long-term credits to build up viable farm operations, and endowing it with the necessary power it requires to carry out the tasks and functions that may be assigned to it in the administration of other programs.

The powers now enjoyed by the corporation enable it to fulfill its aim and objectives—granting farm loans, implementing the act and controlling farm credit transactions. These amendments will allow the minister to use all or part of this expert staff to administer other programs such as the land transfer program, which is part of the small farm development program.

The Minister of Finance (Mr. Turner) is allowed to subscribe an amount of $56 million to the capital of the corporation, and to lend the latter 25 times as much as its capital—i.e., $1.4 billion.

As well as the specific purposes for which loans can be granted, the act allows a loan to be made for any purpose necessary for the efficient operation of the mortgaged farm. This provision of the act has been given a rather narrow interpretation because of the word "necessary". In the revised text, the phrase "that will facilitate" is substituted for the word "necessary", so that it will be possible to grant loans for any justifiable purpose related to the buying, operation, maintenance, or development of a farm.

The Minister of Agriculture (Mr. Olson) understood that it was urgent to introduce those amendments in order to allow certain farmers to expand their farms and to establish young farmers there—be they their sons, relatives, or other people interested in agriculture.

The present ceilings on loans to individual farmers are $40,000 under PartII, and $55,000 under Part III of the act. The proposed amendments sets at $100,000 the maximum amount that can be lent to any farmer, alone or jointly with others, or in respect of a single farming enterprise. It was felt that with the years, the present maximum had become inadequate insofar as the amount of $40,000 was minimal when one knows that nowadays a farmer owns an enterprise which requires a huge investment.

Mr. Speaker, the Minister of Agriculture and the government of Canada have understood the needs of Canadian farmers.

The size of individual farms keeps increasing as agriculture turns from a labour-intensive to a capital-intensive industry, while the purchasing power of the dollar has been diminishing in the past few years. There is no other source of farm mortgage credit for specific amounts or periods of time. The limits set on loans granted private farmers in 1964 are therefore too low to meet the needs of many of them, especially those who want to take advantage of modern techniques.

We see therefore that the government is anxious to help the farmers to settle down on farms and make them profitable. That is why that change will allow our farmers to streamline their operations and earn a decent living off the farm.

The idea of tying in the ceiling on loans with the number of farmers rather than with the size of the operation has proved unfair to private farmers who hire hands or get help from their sons who are minors, compared with those who work the farm on a co-operative or partnership basis.

Although this legislation would authorize the corporation to make loans for the development of mortgaged lands including a secondary non-farming enterprise, it is not authorized to take into account the non-farming income producing capacity of the land when it is being estimated for the purpose of determining the amount of the loan. The present amendment will take into consideration such evaluations so that the amount of the loan would be in keeping with the actual mortgageable value of the property. It will also enable a good many farmers to better utilize their resources without depending entirely on agriculture.

The amendment before us authorizes the corporation to make loans on the security of farm lands in respect of which a third party retains the use of any buildings, provided such use does not exceed his lifetime nor the lifetime of his spouse.

This amendment would enable the farmer who retires to remain with his spouse on the piece of land where he has lived for many years, instead of being compelled to move into a neighbouring village or an unknown region, as was the case previously.

Special situations may arise in connection with programs such as the development of small farms, where a farmer who retires and sells his property can, if he so wishes, retain the use of his buildings for a period of time not exceeding his lifetime or that of his spouse. The buyer of such a farm who is eligible for a loan might wish to finance his purchase through a corporation's loan.

For the time being, the legislation does not authorize the corporation to make loans to farmers under 21 years of age. It seems that the age of majority tends nowadays to be lowered as has already been the case in some provinces. By deleting any mention as to minimum age, the corporation will be guided by provincial legislation spelling out the minimum age when a person can apply for a mortgage loan.

This will allow farmers, whatever province they live in, to establish themselves on a farm at an early age. It will all depend on the age the province will have set for majority. It is well known that now the province of Quebec has set the age of majority at 18, whereas in other provinces it is 21.

Mr. Speaker, I repeat that the Minister of Agriculture and the federal government are anxious to assist young farmers in their establishment.

• (2020)

In some cases it is reasonable to grant collective loans to individual farmers, to a farmer or to one or more qualified farm corporations, although the act does not specifically authorize such loans in those special circumstances. The amendment will allow the granting of such loans in reasonable circumstances, under Part II of the legislation.

A farmer can mortgage part of his land as collateral security for a loan granted to another farmer, which generally involves a father putting up security for his son. This would not limit his entitlement to a loan in his own name under Part II of the legislation. The same provision will henceforth apply to loans granted under Part III.

Mr. Speaker, section 33 provides that if the debt of the borrower under Part II exceeds 75 per cent of the appraisal value of his farm land, he must obtain the approval of the Corporation before being eligible for a farm improvement loan. Experience has shown that this requirement was useless. The section has been amended to allow the father to put up security for his son, in order to establish him on an economic farm.

The proposed amendments will improve the Farm Credit Act, so that it may meet present agricultural needs.

The consultations held with farmers who are members of the appeals courts of the Farm Credit Corporation in each province have given rise to suggestions which in addition to the proposed general amendments were examined with the advisory committee made up of farmers representing the Canadian farm orgnizations. Furthermore, the Corporation has extended consultations with the branches of the Department of Agriculture, and particularly with the Economic Branch.

Mr. Speaker, surveys have been made in order to find out exactly what Canadian farmers want and I think that their problems have been considered, and that we have tried to bring, through new amendments, a contribution and an instrument in addition to what was already available to them from the Department of Agriculture.

Mr. Speaker, I think that the amendments contained in Bill C-5 should be taken under consideration by all hon. members. The Canadian farmers are waiting for these changes in order to make their farm operations more profitable. Through all these amendments, this government can truly control the situation, help people who want to settle on farms, make the latter profitable.

It is known that presently Canadian farms are no longer operated with manual labour. They have become industries due to investment their owners have to make to compete on markets and they are provided with a new tool to operate economic units.

[*English*]

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I am happy to participate in this debate on Bill C-5, an act to amend the Farm Credit Act. I suppose the Minister of Agriculture (Mr. Olson) would say the opposition's criticism is that the amendments do not go far enough. Before I take on the minister, though, may I say I am very glad to see that the Waffle ranks in the New Democratic Party have been reconciled with maple syrup, or have been reconciled to the benefits of farm credit for the younger farmers of the land. I say this because when the hon. member for Saskatoon-Biggar (Mr. Gleave) commented on the amendment which my hon. friend for Mackenzie (Mr. Korchinski) proposed yesterday to give further encouragement to younger farmers, the hon. member for Saskatoon-Biggar told us, as reported in *Hansard* on page 1872, "I can hardly go along with the amendment, but perhaps after full discussion I might be able to consider it."

I was glad the hon. member for Assiniboia (Mr. Knight) earlier today moved a subamendment to a reasoned amendment. Frankly, while you, sir, were in the chair, with all honour to the position you hold, you set parliamentary precedent by accepting a subamendment to a reasoned amendment. The reasoned amendment was so well considered that I could not understand how Your Honour could accept the subamendment. The fact that you did is no reflection on the Chair but is a reflection on the Waffle-maple syrup movement in the NDP trying to reconcile reality with politics and the fact that they are now joining us in seeking to help the young farmers of this land, not only to the benefit of the minister and of other Canadians but to the benefit of all those in western Canada. I was very glad to hear this subamendment so that my friend from Assiniboia could finally join the hon. member for Saskatoon-Biggar and they could march hand in hand down this chamber and show Mr. Watkins and Mr. Lewis how to get things done on the farm.

• (2030)

However, I agree with three-quarters of what was said by the hon. member for Frontenac (Mr. Corriveau). He speaks with experience in farming in la belle province which I cannot match because I come from another part of the country, a belle province called Nouvelle-Écosse. While we do not have farms quite as large as our hearts, in some cases our minds are even larger. Therefore I can reconcile anything my good friend from comté de Frontenac said tonight because I am in complete agreement with what he said about the younger farmer. He also supports the amendment moved by the hon. member for Mackenzie in which we of Her Majesty's Loyal Opposition are asking these amendments go further than the Minister of Agriculture at the moment has gone.

Mr. Olson: You mean you want to kill the bill.

Mr. Nowlan: I am coming to that. However, before I come to the Minister of Agriculture, that lonely député from the flatlands of Canada which is the heartland of Canada, I want to talk about my friend from the belle comté de Frontenac because he agrees with what we say on this side, which is that the younger farmer must be encouraged and given some incentive to put his back to the plow and produce returns for all Canadians. I know my friend from the comté de Frontenac would agree with deferred interest on long-term loans and with an equitable adjustment of interest rates. The Minister of Agriculture mentioned this in his speech the other evening. Why should a young or even an old farmer be penalized under one of the few interest laws of Canada which nails him to a contract from which he cannot escape?

If a person makes a contract with Central Mortgage and Housing Corporation or takes out a mortgage with his friend the mortgagor, after five years he can start to adjust the interest rate if he finds he is in a downward market, interestwise. I hope the Minister of Agriculture does not try to poke fun at the seriousness of my statements, because the minister in the last part of his speech said that he felt confined, constricted and almost mentally castrated because he could not do anything with the section on frozen interest rates of Farm Credit Corporations loans.

I say that if there is any one meaningful amendment which ought to be brought in by this minister, it would be an amendment providing an escape clause for farmers who have built themselves into a long-term contract. If these farmers were dealing in the commercial market or in the housing market under Central Mortgage and Housing Corporation they could escape the frozen high interest rate, but under the present Farm Credit Corporation infrastructure they cannot escape from their long-term contract with a readjustment.

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

Mr. Nowlan: You are taking away my valuable time.

Mr. Olson: Is the hon. member not aware that the Farm Credit Corporation has always had a provision by which any loan can be paid without notice or bonus, so no one is locked into a contract. The situation is contrary to the comment of the hon. member that the only way it can move is up, unless it is paid off.

[Mr. Nowlan.]

Mr. Nowlan: I am aware of what the minister says, but the fact is that if you start to renegotiate you must pay a bonus or penalty in renegotiating the loan, with all the legalistic fees incumbent upon any mortgage. At one time I practised as a lawyer in the city of Vancouver and was involved in land mortgage work. Frankly, this is one part of the priesthood of law that I cannot quite reconcile. I do not believe I would be able to do so even if I were not a member of the opposition.

If I were a member of the government I would have second thoughts about doing CMHC work and/or Farm Credit Corporation work because the poor mortgagee, the citizen of Canada under the CMHC Act, or the poor farmer of Canada under the Farm Credit Corporation Act, is paying through the nose for the legalistic services for what he has already paid. As a lawyer, I say that this minister, who is not a lawyer and who supposedly has had good legal advice, has not done one thing to correct the abuse in respect of the mortgage laws of Canada.

I am digressing, Mr. Speaker. There are serious questions involved in these amendments. Quite frankly, so far as those of us from Atlantic Canada, especially Nova Scotia, are concerned these amendments are just catching up with the practice in farm financing which we have in Nova Scotia. The Farm Credit Corporation is not the number one reservoir for funds. In fact, it is almost the court of last resort. If we needed any justification to consider amendments to the Farm Credit Corporation Act so that it could be more meaningful and contribute more constructively to the problems of farm financing, we would merely have to take partially the minister's word and more particularly the more detailed report of Federal Farm Credit and Related Statistics published in 1971, in which at page 5, among other things it says:

> Lending in 1970-71 dropped 28 per cent from the previous year from $158 million to $116.5 million and continued a trend started two years earlier resulting from economic conditions, higher interest rates and higher land prices. The average size of loan, however, was somewhat larger and a higher proportion of funds was used to refinance existing loans.

I shall stop there and continue in my own language. We are to have higher loans and higher financial charges with which to finance the farm. That is what the hon. member for Mackenzie wishes to avoid in respect of the farmers of this land. The report continues with these words at page 5. If anyone has any doubt about the validity of the amendments—and they do not go far enough—this is what the Farm Credit Corporation has to say about its own act:

> There was a further reduction in the proportion of loans used for land purchases. In 1970-71, one-third of the funds was used to purchase land, compared with 42 per cent a year earlier. About three million dollars were loaned for housing, down from ten million three years earlier. With more difficult economic conditions—

What else do we want other than more loans and more financing when economic conditions become difficult? But what happens? Now everything is down, including loans for those who need it; and the value of the farm is down. The minister's statistics show that it goes up, but the real value goes down.

An hon. Member: Funny money.

Mr. Nowlan: My friend from Moncton says "Funny money". I did not hear the 2 per cent speech of the Minister of Agriculture. In fact, someone said earlier tonight that there was a program called Project '75. I should like to ask this minister, with all the kindness I can muster with my Irish hat, why we do not have a Project '72, letting the interest go down? This may just happen to help the farmers of this land more than all the amendments made to the Farm Credit Act.

• (2040)

An hon. Member: What about the good parts?

Mr. Nowlan: I will come to the good qualities of the minister later. I should like to refer to a very meaningful paragraph in this pamphlet which says that with some difficult economic conditions, expenditures for farm housing tend to be postponed more than loans for other purposes. About two-thirds of the loans went to the provinces of Alberta, Saskatchewan and Ontario, where about two-thirds of the commercial farms are located and two-thirds of farm products are produced. It says that in line with the general trend, the number of loans to incorporated farm borrowers declined 18 per cent in 1970-71, with a decline in volume of loans of about 25 per cent. The average size loan to incorporated farms declined by $4,400 and amounted to $26,500 per member compared to an average of $28,400 for all farms.

I could continue to read much more, but the point of this paragraph and many others in this very interesting and revealing pamphlet is that some people somewhere decided that the Farm Credit Corporation was not fulfilling the purpose for which it was conceived. I know the minister is sincerely concerned about the problems of agriculture in this land, but from time to time I differ with him on how to solve, resolve and tackle them.

Some hon. Members: Oh, oh!

Mr. Nowlan: The Parliamentary Secretary to the Minister of Agriculture (Mr. Lessard), for whom I have great personal endearment, should not interrupt my speech, because if he does I shall recall a speech he would like to recant today. When he goes back to la belle province this weekend he may talk to one of his political kindred souls who may say to him he had better get down to Liberal philosophy in Quebec rather than follow the Social Credit philosophy in which he at one time believed.

As I started to say earlier, we in Nova Scotia realized the difficulties many years ago. The Nova Scotia farm loan board was the first body to be involved in farm financing. It is my understanding that as long as you can show evidence of some potential of performance you can get $100,000 from this board. This is what we are talking about regarding this national act. This is a sad reflection on the psychology, philosophy and mentality of those within the federal Department of Agriculture. At long last we are catching up with the little province of Nova Scotia in adopting a maximum level for individual farmers of $100,000 per farm. That is in fact what the important amendments before us attempt to do.

The amendments suggest that we should not worry just about the individual farmer, we should try to develop something that seems to have gone out of fashion in this permissive society. This is a society in which we are supposed to be born in a cradle, rocked in a cradle and spilled from the cradle into the grave without having to produce anything, showing no initiative or enthusiasm and requiring no incentive. The members of this party believe in something else. I question sometimes some of the things hon. members believe in, and they very often question what I have to say. I have no compunction about questioning what they say and they have none in questioning what I say.

We belong to the Progressive Conservative party which at the moment, but only for the moment, happens to be Her Majesty's Loyal Opposition. The members of this party have one thing in common: we belong to one of the most independent breeds you can find. I know the Minister of Agriculture would love to be part of that breed because he is independent, as indicated by his exercise of independence in moving from the far left to the middle right. He did not move to the far right but to the middle, comfortable and easy right.

This Minister of Agriculture was pointed out to me, as a new member when I first came here, as a man with parliamentary acumen. It was easy for him to walk from the far left to the easy middle right and not take up the challenge of the opposition. This helped to dilute some of my respect for him, though I give him credit for sagacity and parliamentary sense. It is much more difficult to move from the far left to the government side of the House than it is to move from the far left to the seats of the mighty. Pierre Burton wrote a book entitled "The Comfortable Pew", but there is nothing more comfortable than the easy and comfortable seats on the other side of this institution.

It was a disappointment to me when this Minister of Agriculture, who does have a lot to offer in this Parliament of Canada, moved from the soft seats of the Créditistes to the easy seats of the establishment rather than take up the challenge of the opposition. This minister has not accepted the challenge to make changes. We want to change the Farm Credit Act to make it meaningful to the young farmers of Canada. It must become meaningful if there is to be any life left on the farmlands of this country. Let us give the Minister of Agriculture all the benefit of the doubt in respect of these Farm Credit Act amendments, because I believe in his sincerity. I question some of his purposes but I do not question his sincerity.

One of the fundamental problems in any debate in this chamber concerning this topic is that we are confined by Bill C-5 and its amendments to the Farm Credit Act. This measure was supposed to provide easier access to the credit pools of the Farm Credit Corporation, particularly for farmers who need financing. What is the sense of debating this bill in isolation, when at the last session of Parliament we passed something called a tax reform bill which instituted certain tax changes and penalized the productive farmer? When we look at the details of the basic herd as defined in that change, which is a rather complicated equation to anyone from the east or the west, we find a different situation.

Some hon. Members: What about apples?

Mr. Nowlan: I am not talking about apples; I am talking about the nuts and bolts that make this society work. If there was ever a piece of legislation that indicated the complete futility of this government, I suggest it is the one before us—because we have the Farm Credit Act amendments today, we had tax reform yesterday, and the farmer will be left on dry land tomorrow.

An hon. Member: And the minister had his funny money before that.

Mr. Nowlan: My friends may think I am trying to be funny.

An hon. Member: You don't have to try; you are funny.

Mr. Nowlan: My friend suggests I do not have to try. I can be funny when I want to be, and I can also be serious. If the hon. member does not get the seriousness of my message, he will get it next election day.

• (2050)

He will not be re-elected just because he comes from the beautiful, bountiful province of Ontario which so far has not instituted succession duties. There are some members in this chamber who come from Alberta, the succession duty haven, and there are many other members in this chamber who come from other provinces whose respective provincial governments are walking right into the vacuum left by this federal administration and the so-called tax reform bill which is nothing more than tax conformity which will detract, deform and potentially destroy farming in this land if both the provincial and federal governments do not do something.

What good is it to get a 2 per cent mortgage under the farm credit legislation after the family has contributed to increasing the value of the farm? The housewife often becomes the bookkeeper and the four or five children are active participants in the growth of the farm, but at the end of it they have to pay a capital gains tax which we all say philosophically is just.

Some hon. Members: Hear, hear!

Mr. Nowlan: I like the clapping and I agree with those who clap. Not only do we have the capital gains tax but this government does not have the common sense that God gave the geese to fly over this land, to integrate federal tax reform with the provincial tax laws. So the government of Canada can be the knight in shining armour, not the King for Assiniboia—he is not a bad fellow but he has a lot to learn, if he gets a chance to learn.

The point I am trying to make is, why should the federal government be the knight in shining armour and say to the public of Canada, "We think that succession duties may have a retrograde, adverse, negative influence on the social and economic development of the land, so we will withdraw and leave this field. But because we want to be just and we live under the umbrella of the just society"—whatever that may mean—"we will institute a capital gains tax"? They could not get many economists or philosophers to debate the capital gains tax. I regret that this party did not take a strong stand with regard to the capital gains tax as it applies to the farmers of Canada.

Some hon. Members: Hear, hear!

Mr. Nowlan: The only time I hear these timid lions roar is when an opposition member speaks. They roar because they do not dare speak.

Some hon. Members: Hear, hear!

Mr. Nowlan: I am sad because we did not take a stronger stand with regard to the capital gains tax as it applies to farmlands and the transition of the farmland from the farmer to his son or blood relatives. We all chickened out. The fact that the capital gains tax was left in a vacuum enabled each individual province to come in with its own succession duty act.

There is nothing the Minister of Agriculture can do, no matter how well intentioned he may be, to help restore agriculture as a vocation and as a challenge to the young people of Canada unless he can get together with his provincial counterparts, not only ministers of agriculture but ministers of finance, and discuss with them the tax laws so that something can be done to redress the grievances that cloud the lands of this country. They prohibit, restrict and work against young people who wish to work on the farm, work which is so necessary for the development of this land.

I say to you that we can have all the amendments to the farm credit legislation in the world, but how can we develop farming if the federal government pounces, with the capital gains tax, on the sons and daughters who helped make the land productive and on the other hand provinces such as Nova Scotia, New Brunswick, Prince Edward Island and other smaller and poorer provinces in the country try to grasp any tax dollar, not fully assessing the long-term effect which the short-term grasp will have?

It will have a very detrimental effect. I know some farmers in the Annapolis Valley who are thinking of moving and setting up dummy corporations in Alberta to avoid succession duties which will mean the final termination of long-term farming in my province. I am not so sure about what is going on in other provinces. All I know is that so far as the Farm Credit Corporation is concerned, in my province over a period of ten years there have been 484 loans, 388 under part II and 96 under part III, which is the part which gives some incentive to the young farmers, for a total of $8,351,000, which is a pittance.

Some hon. Members: Oh, oh!

Mr. Nowlan: I agree with whatever you say, but this ia a pittance and smaller than a pebble in a great, big pond in the totality of farm credit loans. It shows in a graphic way how inadequate Farm Credit Corporation financing is for those of us who live in Nova Scotia—and that province, with all due respect, is a little more productive, farmwise, than some Atlantic provinces. When you compare that sum with the total for the whole of Canada, $1,550,642,000 over a ten year period, it is a pittance.

There is something further that I would like to ask concerning where we are going in the farm world. What is

the direction of the national policy, not only regarding the federal Department of Agriculture but the Department of Finance and the various provincial finance departments? When both succession duties and the capital gains tax are imposed on farmers there starts a flow, not only of people from the country to the city but a flow of capital because those left on the farms move into the cities and take their share of the estate with them. Because of succession duties and debts after the farmer's death, one child stays on the farm while the other children move into the city with their share of the inheritance. This compounds the problem of migration from rural areas to the city and I do not believe it is in the interests of the country. You have people and pocketbooks, in effect, moving from rural areas to city because of the conflicting and paradoxical tax laws.

I now come to the small farm adjustment program. It is probably a well intentioned piece of legislation prepared by the Minister of Agriculture and his department, but is it not ironical that the minister is developing a program to take the marginal farmer out of the mainstream so that larger farms can become more economic and more efficient? What happens to those who work in a marginal unit? Are they to be added to the welfare rolls in the cities? We already have fantastic migration from country to city which is most likely inevitable; but the minister, in his well intentioned manner, is developing a program which will accelerate the process. It will not dilute it or cure it. The minister is inadvertently—this is the kindest word I can use—accelerating the process.

Mr. Olson: That is not right.

• (2100)

Mr. Nowlan: Has there been any survey made by his department, by Statistics Canada or by any other organ of the federal government to assess what will happen to the workers now working on this "X" number of marginal farms in Canada? I only have to look at the book I referred to earlier, Federal Farm Credit and Related Statistics, which was published in 1971. I refer, as the hon. member for Crowfoot (Mr. Horner) did the other night, to the interesting table that gives the value of farms across the country. The minister described how the small farms adjustment plan would apply primarily to farms with a value of between $3,000 and $20,000. In my own province there are over 6,000 farms in that category, and in the province of Quebec over 40,000. There are like numbers in other provinces.

I hope the minister will reply to my question. Has there been any study done by his department, by Statistics Canada or by the Department of Manpower and Immigration to show what will be the effect of eliminating these marginal farms and the workers on them? It just so happens, perhaps through an accident of history or perhaps due to a fact of circumstance, that the reality of the situation is that on those farms there are a great many good citizens of Canada who have a marginal chance to participate in the full mainstream of Canada. What will happen to them? Are they going to end up—

Mr. Olson: It is a development program, not an adjustment program.

Mr. Nowlan: I suggest to the Minister of Agriculture that he read a series of essays by Paul Goodwin, an American sociologist. I am not so anti-American as some on the government side who may say that there is not an author in the United States who is worth reading. He wrote a series of essays, Mr. Speaker, for the Massey lectures, subsidized by the CBC and published in a book entitled, "The Moral Beauty of America." He points out that we in the western civilization who think we have all the answers and believe that our guidelines should be based on technology and efficiency should use the old railway crossing guide of stop, look and listen, because this may not be true. This may not be all for the good.

It may not be for the Minister of Agriculture and myself, who may be very temporary in this world, to stop all this. It is our children who will fully assess what I say tonight and what will be the result of our policies, perhaps inadvertently. I do not say that this legislation is deliberately designed to give a bad result. If it was so designed I would be far happier because I could point out that it was misguided. But I do not feel any confidence in the design; I do not feel any confidence in the plan.

I say to the Minister of Agriculture that this is something that is not within his scope, but he plays a part in it. Paul Goodwin has said that a case can be made out to keep the small family farm even if programs must be brought in to help stimulate it or, depending on your semantics, to subsidize it, rather than transfer that problem of production into the city where slabs of cement will confront the person from the farm so that he will have no recourse, because of his lack of training, but to go on welfare and add to the dilemma on that side of the coin.

Without going into the whole matter of the ecology and environment, I say we had better stop, look and listen to see just what our policies are doing. Mr. Speaker, I thought you were about to rise to call me to order because my time is running out. Before I sit down I want to quote from a very eminent North American. However, before giving this quotation I wish to say seriously that there are two subsidiary problems here concerning credit to the farmer, or lack of credit. There is the completely demoralizing effect that the combination of capital gains tax and succession duties has on the progressive, viable farmer today. As a result, he does not know where he is heading. Yet to give credit to the Minister of Agriculture, on the other side of the totem pole, on the lower side of the scale he has a program that he hopes will help to develop and assist the marginal farmer.

I suggest that you cannot talk about farm credit in isolation. You have to talk about making the marginal unit viable. You also have to talk about the most productive units in the country. From my part of the world we do not contribute, in net dollars or in percentage terms, the largest proportion of farm production but in our way we produce what we feel is a rather respectable share. Let us consider how succession duties will affect us. At page 37 of the booklet to which I referred earlier there is a table showing farmland values per acre, by province, over a 20-year period from 1951 to 1970. In Nova Scotia the value per acre started off in 1951 at $112, rose over the next three years to $114, by 1968 had risen to $190, in 1969 to $204 and in 1970 to $214. The value, in terms of dollars,

may have gone up because of inflation and certain other problems, but the individual farmer still has only 30 to 35 acres per farm, or in some cases 100 to 150 acres per farm. I think the Minister of Agriculture begins to appreciate the problem but I do not think the government as a whole appreciates the effect of the double whammy of capital gains and succession duties on these farms.

There are many other things I could say, Mr. Speaker, but I would like to conclude by quoting something said by a very eminent North American who has his own difficulties tonight. He was in this chamber less than a month ago. It is President Nixon who said it. This statement is to be found in "Rural Canada 1970: Prospects and Problems." I was most interested that President Nixon, who is not noted for his rural philosophy or rural beginnings, should say this. Probably it was prepared for him by a speechwriter, but he had enough conviction in it to express the words. They are to be found at page 84 of the book as follows:

> We will carry our concern with the quality of life in America to the farm as well as the suburb, to the village as well as the city.

I expect he was paraphrasing another eminent Anglo-Saxon, Winston Churchill.

> What rural America most needs is a new kind of assistance. It needs to be dealt with, not as a separate nation, but as part of an over-all growth policy for all America. We must create a new rural environment that will not only stem the migration to urban centres but reverse it.

I would like to put in summary what I have tried to say tonight. I hope I have a chance to repeat it in more detail at other times during the life of this and other Parliaments. This House of Commons is the repository of the common denominator of Canada. People think we are a pale reflection of the personalities of Canada, but we are the repository of the common denominator of Canada because at the moment we are the representatives of Canada. Those who succeed us will demonstrate all the failures and foibles and all the perfections that we in this chamber have shown. But if there is anything to be remembered when debating any farm bill it is that we should not debate farm credit in isolation, we should not debate apples in isolation, we should not debate wheat in isolation.

• (2110)

Mr. Nystrom: Oranges?

Mr. Nowlan: We do not have oranges, as far as I know; but the fact that the hon. member for Yorkton-Melville (Mr. Nystrom) mentioned them relfects his knowledge of the farming community of Canada—he knows nothing about it. We do not have oranges, Mr. Speaker. We have enough problems in this country with the crops we produce, let alone products we import from abroad. We bring tomatoes from Mexico, oranges from Florida and California; but we do not have enough coming from the West Indies, where we should have a viable trade. I come from eastern Canada where the natural flow is north and south and I do not understand why we cannot do something about trade in that direction.

To return to the serious matter I was discussing before I was diverted by the ranting of the elephant without horns, if anything serious is to be taken from what I have said tonight—and I hope there will—then in this chamber we must stop debating policies of isolation. We must decide, if there is a national farm policy, whether it is integrated with the provincial policies in farming or in finance.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Ross Whicher (Bruce): Mr. Speaker, it is a great pleasure to have the opportunity to speak on Bill C-5, an act to amend the Farm Credit Act. First of all, I should like to compliment the chairman and staff of the Farm Credit Corporation. In my opinion they have done an excellent job across Canada over the years, and I know they will continue to do the job to the best of their ability by looking after our farmers under the legislation passed by Parliament.

Mr. Alexander: What about a little praise for the Minister of Agriculture?

Mr. Whicher: Mr. Speaker, I listened with great interest to the hon. member for Annapolis Valley (Mr. Nowlan) and I heard the interjection of the hon. member for Hamilton West (Mr. Alexander). I appreciate, of course, that niether of those hon. members has ever had anything to do with the Farm Credit Corporation and put through any of those—

An hon. Member: High class mortgage loans.

Mr. Alexander: I rise on a point of order, Mr. Speaker.

An hon. Member: He is objecting to cheap feed.

Mr. Deputy Speaker: Order, please. The hon. member for Hamilton West (Mr. Alexander) seeks the floor on a point of order.

Mr. Alexander: Mr. Speaker, I just want to set the record straight. My good friend has indicated that I have had nothing to do with the Farm Credit Corporation. I want him to know that during the Diefenbaker years I was one who used to process a lot of mortgages—

Some hon. Members: Oh, oh!

An hon. Member: How much were you paid?

Mr. Whicher: Mr. Speaker, I am not surprised at what has happened. I knew it would happen as soon as I stood up. The last speech was rather dull and I knew—

Some hon. Members: Hear, hear!

Mr. Whicher: I am somewhat amused, however, that the hon. member for Annapolis Valley did not say there had not been a substantial number of loans go through his law firm in the past. You know, Mr. Speaker, we cannot have this conflict of interest. I know that my good friend from Hamilton West stood up, and rightfully so, and said that at no time did he have anything to do with mortgage loans going through the Farm Credit Corporation, but the other hon. member has not said that.

An hon. Member: He was living in British Columbia.

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

Mr. Deputy Speaker: Order, please. The hon. member for Annapolis Valley (Mr. Nowlan) rises on a question of privilege.

Mr. Nowlan: Mr. Speaker, I appreciate that the hon. member for Bruce (Mr. Whicher) was trying to bait me. He has succeeded. In the practice I carried on in Nova Scotia there was no such thing as Farm Credit Corporation loans going through the small office I ran. However, I moved to British Columbia and joined a large law firm in which at that time the former minister of labour, now Lieutenant Governor of British Columbia, was one of the senior partners. Because of the British Columbia complexion of that minister of labour in the former Pearson government, Farm Credit Corporation loans went through that office; but I had nothing to do with them in my practice of trial law, working with people and not the easy—

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order.

Mr. Whicher: Mr. Speaker, now we get down to the bill—

Mr. Hees: You had better start all over again.

Mr. Whicher: I was only trying to give the hon. member an opportunity to express to the people of Canada what was obvious to me, that he would not take advantage of the farmers of Canada and put these loans through his office at the rates lawyers charge in Canada. He and the hon. member for Hamilton West happen to belong to that fraternity, and even though I know they do not make any money out of farmers I do know, on the other hand, that they are not poor. I know farmers rates go up substantially because of the legal rates charged, and I issue that challenge to either of them—

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

Mr. Deputy Speaker: Order. The hon. member for Hamilton West rises on a question of privilege.

Mr. Alexander: Mr. Speaker, I do not mind the hon. member giving a speech, but surely he should have some knowledge of what this act is all about. If he has not, I will start now and set it down for the edification of all hon. members. We who are lawyers know that the fee schedule under the Farm Credit Corporation is away below tariff with respect to any county in which lawyers practise.

Some hon. Members: Oh, oh!

Mr. Alexander: That is for the edification of the hon. member for Bruce who does not know—

Mr. Deputy Speaker: Order, please.

Mr. Alexander: The hon. member is misleading—

Mr. Deputy Speaker: Order. I must say, with respect to the hon. member—

Mr. Alexander: —those—

Mr. Deputy Speaker: Order, please. The hon. member for Hamilton West knows that when the Chair asks him to resume his seat, he should do so.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I think all hon. members should follow that rule.

Mr. Whicher: I appreciate the remarks made by the hon. member for Hamilton West. I know too, Mr. Speaker, that all of us have to take the word of hon. members of this House. However, while we have to take it, the farmers of Canada do not have to believe what he said a few minutes ago. They know that one of the reasons why costs are so high—

An hon. Member: They know.

Mr. Whicher: —is that legal costs in Canada are high. Mr. Speaker, in paying my compliments to the Farm Credit Corporation and the staff which supervises all farm loans across Canada, I want to emphasize that in my experience I have found them to be very knowledgeable in every way. I do not know what the agricultural industry in Canada would have done without the Farm Credit Corporation, when we consider the thousands of loans that are administered to help the dairy farmer, the cattle farmer and the vegetable farmer. I say that they have done an excellent job.

Some hon. Members: Hear, hear!

Mr. Whicher: Every now and again we have to modernize, Mr. Speaker, and this is exactly what the government is doing now through the Minister of Agriculture (Mr. Olson). In the past, loans have been for "X" number of dollars, but through inflation and higher costs it is obvious that loans have to be increased. In previous years loans were given to farmers at about 30 years of age, but the act has reduced this age to be in accordance with the provincial laws.

Mr. Speaker, I listened all afternoon and all yesterday afternoon to members of the opposition talking on this bill. I listened with interest to the previous speaker, the hon. member for Annapolis Valley. Hon. members opposite have been opposed to this bill. Where does the Federation of Agriculture stand on this bill? Where does the National Farmers Union stand on this bill? It is for it almost 100 per cent. The only people who are against the bill are those in the opposition.

• (2120)

Some hon. Members: Hear, hear!

Mr. Whicher: Few will deny that agriculture has not had a fair deal in the last 25 years. The lack of a fair deal can be blamed not only on the present government, not only on the preceding government but on all governments, Conservative and Liberal, which have been in office since the last war. I do not think any member of the House can hold his head high and say that we have done a good job for agriculture. Nonetheless I remind you, Mr. Speaker,

that there has been a turn-around in the agricultural industry and conditions are not nearly as bad as they were three or four years ago. When I hear my western friends—and I have many on the other side—criticizing the government about lack of grain sales, I simply ask: When did they sell more grain than was sold last year by the Minister of Justice (Mr. Lang) who is responsible for the Wheat Board?

Some hon. Members: Oh, oh!

Mr. Whicher: The answer is, never in the history of Canada.

Mr. Nowlan: And never at lower prices.

Mr. Whicher: My hon. friend from Annapolis Valley shows his ignorance. As a lawyer he is a professional, but as a farmer he is an amateur. He suggests the wheat was sold at low prices. Would we have sold more if we had sold grain at prices other than world prices? Surely my hon. friend from Annapolis Valley is not suggesting that we should sell grain at prices lower than world prices? He is not suggesting that we should sell grain at prices higher than world prices; of course not. We must meet the conditions of the market and that is exactly what the minister from Saskatoon-Humboldt did. Actually, he was given the salesman of the year award for his sales.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Nowlan: By whom?

Mr. Whicher: This award was not given by the people of Canada, but by western farmers, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Whicher: I remember criticizing the Minister of Agriculture during the past two years with respect to the government's dairy policy. I criticized the government over the sale of cattle because the price was not as high as it should be. I criticized the government because tobacco sales were not as they should be. Yet I say to you tonight, Mr. Speaker, that the government has done an excellent job. The price of cattle is an example of that; it is almost at its highest level in the history of Canada. If we are to condemn the government for certain things it has done, let us at the same time give credit where credit is due; and it is due in connection with this bill.

Some hon. Members: Hear, hear!

Mr. Whicher: It has done a good job in the dairy industry, too. I remember, when first starting in the dairy business in 1947, that the price of fluid milk in Ontario was $3.75 per hundredweight. What is the price today? I will not ask the hon. member for Annapolis Valley, because he would not know the answer. The price has doubled.

Mr. Nowlan: Oh!

Mr. Whicher: It has doubled in price.

Mr. Nowlan: Oh!

[Mr. Whicher.]

Mr. Whicher: Yes, it has doubled in price, Mr. Speaker. And the legal fees of my hon. friend for Annapolis Valley have gone up tenfold in that time.

Some hon. Members: Hear, hear!

Mr. Whicher: I criticized the government in the last year or so because the price of hogs was in my opinion deplorable. I was one of those who criticized the Minister of Agriculture over this. I can now say to him that I apologize to some extent because he is the man responsible for the present that the government has given to the farmers and hog producers of Canada; he is responsible for the $25 million subsidy to the hog producers, which they need and deserve.

Some hon. Members: Hear, hear!

Mr. Whicher: To my hon. friends from the west who are conversant with the grain industry—I see some in this chamber—I simply put this question: When was there a two-price system for grain in this country before this government introduced such a system?

An hon. Member: Never.

Some hon. Members: Oh, oh!

Mr. Whicher: Mr. Speaker, that system was introduced by this government. It was introduced under our Prime Minister (Mr. Trudeau), the Prime Minister whom the opposition condemns. Yet you fellows never had it so good.

Some hon. Members: Hear, hear!

Mr. Nowlan: It is not a two-price system; it is a two-sided coin.

Mr. Whicher: Mr. Speaker, we all agree that much could be done to improve agriculture. We agree, for example, that hog prices are not as high as they should be, that dairy prices are not as high as they should be and that grain prices are not as high as they should be. Last fall, several months ago, we introduced a bill into this House that had taken between 18 months and two years to prepare. It was Bill C-176. The farmers of Canada asked for that bill.

An hon. Member: The farmers of Ontario.

Mr. Whicher: it was introduced in order to bring about effective national marketing in the whole of Canada. It was to give the farmers of Canada an opportunity to sell their products, to run their show, to curtail production if necessary, and so on. After all, General Motors does not continue producing thousands of cars after it has sold a certain number. Massey-Ferguson does not attempt to supply thousands of tractors after the market is saturated.

Mr. Nowlan: How many agencies are there, Ross?

Mr. Whicher: The point is that under Bill C-176, the bill bringing in a national marketing plan, this government offered the farmers of Canada an opportunity to run their own show, that is, to produce them, manufacture them

where necessary and sell them. What was the only party in Canada that was against national marketing? The Conservative party was that party. That was the only party against the legislation, even though the National Farmers Union and the Federation of Agriculture supported it.

An hon. Member: No.

Mr. Whicher: The fact is that the only party in this House that was against this legislation was the Conservative party.

Mr. Nowlan: They had the wisdom to try to change the bill.

Mr. Whicher: Mr. Speaker, they were against it even though the Conservative party of Ontario, their strongest base, supported the bill. They were against it even though every major organized farm group in Canada supported it. They were against that bill because they thought they had a political animal in their hands.

Mr. Nowlan: We were critics. We fought a reasonable battle.

Mr. Whicher: Now they have a tiger by the tail, a real tiger.

Mr. Nowlan: How many farmers are for it? How many farmers have an agency, Ross?

Mr. Whicher: Mr. Speaker, it is not a case of how many agencies there are now, but how many agencies there will be in future. A chairman has been appointed and several board members have been appointed. We are going to look after this program we know perfectly well that the hon. member's party cannot do it.

Some hon. Members: Hear, hear!

Mr. Whicher: This afternoon, Mr. Speaker, I listened to the hon. member for Crowfoot (Mr. Horner), one of the chief agricultural experts in this House. I have listened to him for a long time. It is too bad that my hon. friend has not been listening to him because he would have learned something. He spoke about the forgiveness clause introduced by the hon. member for Mackenzie (Mr. Korchinski), and the postponement of interest.

• (2130)

I also listened to the previous speaker. He said it is too bad the farmers of Canada have to pay 8 or 8¼ per cent interest. There is not a single member, whether he be Liberal, Conservative, New Democrat or Creditiste, who does not agree that the interest rate for farmers is too high. We also agree that interest is too high for housing, business and everything else. The government of Canada must borrow this money and someone must pay the interest.

I was somewhat amused when listening to the hon. member for Mackenzie yesterday afternoon. He brought in an amendment suggesting that interest should be postponed or reduced. I was amused by the hon. member for Crowfoot and, indeed, the hon. member for Annapolis Valley when he suggested the interest rate should be reduced. One of the things the Conservative party has done is stick up for the views of the Auditor General of Canada. At every opportunity they have castigated the government because they feel the government has not been fair to the Auditor General.

I refer to that part of the last report of the Auditor General of Canada which deals with the Farm Credit Corporation. This is the man the Conservatives have been sticking up for over the past two or three years and trying to shove needles into the present government. This is what he said:

> It has been pointed out previously that the statutory lending rate of 5 per cent on loans to farmers has not provided sufficient income to cover the interest paid on borrowings from Canada and administrative expenses. Although the statutory rate was abolished with effect from November 15, 1968, annual losses will continue to be incurred with respect to outstanding loans totalling $746 million at March 31, 1971, which still bear interest at the statutory rate of 5 per cent. Since 1963 these losses have been recovered from annual parliamentary appropriations provided for the purpose in order to present further depletion of the reserve for losses. However, this policy does not provide for the building up of the reserve to an amount equivalent to the capital of the corporation as is contemplated by the Farm Credit Act.

This report says it is not right that the farmers of Canada should be subsidized by the other taxpayers of Canada under our legislation. This criticism is by the Auditor General of Canada whom the Conservative party endorses at every possible opportunity.

In conclusion, there is no one in this assembly, particularly those who come from agricultural areas such as myself, who feels that the farm areas have had a square deal in the past. There is no one who does not feel that the interest rate on farm credit loans should be lowered. On the other hand, we have to face the facts of life. The fact is that the average farmer does not want to be subsidized; he just wants a square deal.

In my opinion, Bill C-5 gives the farmer a square deal, an opportunity to borrow money when he cannot borrow it anywhere else, an opportunity to get into business and an opportunity to be able to pay it back under reasonable terms. For this reason I intend to support this bill. I do not intend to support the amendment of the hon. member for Mackenzie because there is too much socialism involved in it. He is asking us to cut down on the expense. We cannot do this, and the average farmer does not want it to be done. Therefore, Mr. Speaker, I intend to support this bill presented by the Minister of Agriculture because it is a very good measure. Under no circumstances, can I support the amendment of the hon. member for Mackenzie.

Some hon. Members: Hear, hear!

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I rise to speak very briefly on this bill to amend the Farm Credit Act because I believe that improvements to the act can greatly assist our farmers, particularly our young farmers starting on their careers. Yesterday the spokesman for the official opposition, the hon. member for Mackenzie (Mr. Korchinski) proposed an amendment which I intend to support and which I hope every member of this House, on reconsideration, will decide to support. I shall read that amendment:

> —that it be resolved that in the opinion of this House the govern-

ment should give consideration to the introduction of legislation to amend the Farm Credit Act by incorporating the incentive principle—already approved by this House in other legislation—to provide for partial non payment of interest where young farmers meet performance standards, for deferred interest payments on all loans during an initial period, for equitable adjustment of interest rates for the benefit of borrowers; and, as well, to provide for open-end loans which will allow additional borrowing without refinancing costs.

I believe that the measures outlined in the amendment will make it possible for the government to treat the farmers of this country in the same manner as industry is treated, enabling them to obtain the capital they need to carry out their day to day operations. I believe it is only fair that this should be done because today farming is very much an industry. It is an industry which requires capital on the most generous terms possible to permit successful farming operations to be carried out.

As we all know, industries receive forgivable loans based on satisfactory performance in order to enable them to get started. I believe that our young farmers should receive the same treatment. New industries are permitted to defer payment of interest on loans during the initial period. This is also done to enable new industries starting up to get into operation, grow, expand, be successful and employ people. I believe that our young farmers should receive the same kind of accommodation. I also believe that it makes economic good sense to provide open-end loans to permit additional borrowing without incurring refinancing costs.

It is because I feel so strongly that the measures outlined in the amendment which I mentioned a few moments ago will do the kind of job for our farmers, particularly young farmers starting out on their careers, that I very strongly urge all members of this House to support the amendment which has been proposed by the official opposition, and by so doing join with the party to which I belong in helping the farmers of this country to operate in the future in a more profitable and effective manner.

Some hon. Members: Hear, hear!

• (2140)

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have read with considerable interest the amendments which are proposed to the Farm Credit Act. A number of members have commented on their experience of the working of the Farm Credit Act. My experience has probably been somewhat different from theirs because I once had occasion to take out a loan on some farmland. It is now repaid.

I should like to make some observations about the Farm Credit Act based on my experience. I am aware that some of the officials concerned are with us this evening, but were they not present I would say the same things. I have found the officials of the corporation to be, generally, educated people aware of the problems of farming. I have found them to be fair minded. I do not think they would knowingly help a farmer into trouble by arranging a loan which they felt he would be in no position to repay. I believe most of them would do their best to work out a package which a farmer could handle. This would be my general observation in connection with the corporation officials I have spoken to and those with whom I have become acquainted in Ottawa.

I should like to make one reservation, though, and I would call the minister's attention to it. During the period 1966 to 1968 when we were selling a lot of grain to China, Russia and other places, not only were farmers affected by the enthusiasm which those sales generated in western Canada and in Canada as a whole, but FCC officials were, it is possible, also carried away by it as a result of which they granted loans to buy land at prices which have proved very awkward for farmers to manage. The officials might say that they did not lend as much money on this land as did some private corporations. I have in mind certain insurance companies which lent money in amounts and on terms which have placed many farmers in a difficult position.

I draw attention to this aspect because I believe we may witness a similar situation in the future. Logically, the price of land has to increase, but I believe we should be careful about how much money we pour into the land market. More attention should be paid to the productive value of the land, bearing in mind good years and bad years. I do not think it does anyone a service to lend $100,000 in circumstances where the borrower has no means of paying it back. I draw this to the attention of the farm credit administration with the best intent in the world. I know what the circumstances are. My initial experience of attempting to borrow money was that I could not get any. And after I was in a position to borrow, I had trouble paying the money back. I think one can go too far both ways; one should treat these matters very carefully.

I should like to make one or two observations in connection with a question which I directed to the Farm Credit Corporation through the Minister of Agriculture (Mr. Olson) a few days ago. I asked what percentage of farm credit loans are presently in arreas compared with the years 1969, 1970 and 1971. As I recall, we have seen a jump in Saskatchewan, for example, from 11 per cent to about 21 per cent. In some of the other western provinces there has been a jump from 14 per cent to about 24 per cent. This indicates that at least a portion of our agricultual industry is in trouble. The Farm Credit Corporation should not be blamed for this. There may have been the odd bad loan, but the situation really has to do with the agricultural policy of the government plus other factors such as lack of markets in the rest of the world.

I cannot help thinking that had we been more aware of the importance of marketing we might not today be in this awkward situation in western Canada. For example, had the Canada Grain Act been introduced ten years ago we might have retained some of the markets we lost to Australia and Russia, the first countries to introduce the protein grading system. Where were we at the time? Take the case of Syria and certain other grain importing countries. We did not sell any grain to those countries between 1952 or 1953 and a relatively short time ago. In effect, we neglected one aspect of our agriculture, and despite the best efforts of those administering the act we are now considering, failure to take into account the whole picture means that the farmer who is caught in the middle finds himself in acute trouble.

Consider, for example, the final payment on grain which might in certain circumstances bring $8,000 to an individual farmer. When this payment drops to roughly one-sixth of that sum, or down to nothing, it is a good indication of the trouble we are in. This is what has happened to the grain community in the part of the world from which I come. This is the kind of payment upon which many people depend. When it drops to nothing, the consequences can be imagined.

We recognize that farming has changed. I do not wish to quote a lot of statistics; much has been done along these lines already. It used to be, in my part of the country, that if a man wished to rent a farm he rented one third of the crop. Today, with the advent of quotas and government subsidies, the man who owns the land might as well say, "Give me $1,000 a quarter and all the other problems are yours." We see a change from one type of tenure to another.

• (2150)

In Saskatchewan there is a great deal of pressure to establish a land bank. I wish to speak about this matter for a moment because it is related to a clause in the bill pertaining to the small farm development project which the Farm Credit Corporation is to administer. As I understand the discussion between the federal government and the provincial governments, particularly the government of Saskatchewan there has been some argument in this regard. I also understand the proposed small farm loans administration would be in the hands of the Farm Credit Corporation, the counselling and farm management policies which formerly were in the hands of the provincial governments. If this should be done without the co-operation of the provincial governments, we would have a duplication of such facilities. I am concerned about this. I feel that the federal and provincial governments should not compete to give farmers, at least in my province, the logical advice they ought to receive, particularly the small farmer who in most cases would be a beginner.

The provincial government is to establish a land bank or rental scheme for the younger farmer establishing himself on the farm. I believe there could be some conflict here. My suggestion to the province of Saskatchewan, to the federal government and to the other provincial governments which might be involved in similar small farm programs with the federal government, is that we should not have competing views in this area. I suggest to the minister that he should not give up easily in his attempts to work out a solution with the provincial governments.

I suppose, being an opposition member and being politically allied to the Saskatchewan government, in this case I could argue that the federal minister is wrong; but I do not wish to do that. I believe only the farmers would be the losers. I suppose the taxpayers in Saskatchewan and federally would also be the losers. While I am not aware of what might be going on in other provinces, I would think some of the discussions would be in similar vein. So I suggest that the minister continue his efforts to find a solution with the provinces, rather than insist upon establishing a program which would do some of the things I have mentioned.

I am also a little worried about the $100,000 loan maximum provided in the bill. I am aware that the price of farmland is going up, but I wonder about adding fuel to the fire. As I indicated earlier, it would seem to me that we have occasionally helped farmers pay more for land than they logically should have paid, particularly when one considers the return from such land. Some farmers now are in a position in which they are hardly able to pay the interest, let alone anything on the capital, not to mention operating expenses.

Some individuals attempt to solve their problems with the help of someone whom they believe is in the know and has more technical knowledge in respect of farm credit and farm management than they have. When we consider the desire of many individuals, not merely farm boys, to have a farm of their onw and establish a business where over their lifetime hopefully they can make a go of it economically and add to the well-being of mankind, I think we should be a little careful. It has been suggested to me by some thinkers in the agricultural policy field that if we allow farmers loans of $100,000 this will increase the price of land. I believe this is true even under the old loan ceiling.

If we approve this extension, I believe the Farm Credit Corporation should exercise judgment in respect of how much it will allow an individual to borrow. Sometimes I think some of the suggestions we have made to help individuals have not reflected on the people who borrow the money. Too often they have resulted in a higher income for those who sell the land. While I believe the farmer or person who owns land has a reasonable claim to a fair and equitable price, I do not believe we should encourage this by subsidization, if you like. I suggest we should exercise a little judgment in this regard.

Mr. Speaker, may I call it ten o'clock?

Mr. Deputy Speaker: The hon. member may call it ten o'clock if there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

INCOME TAX—SUGGESTED INCREASE IN EXEMPTION FOR RETIRED PERSONS OR GRANTING OF TAX CREDITS IN BUDGET

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Monday, May 1, as reported in *Hansard* at page 1764, I put a question to the Minister of Finance (Mr. Turner) in the following terms:

In view of the many urgent appeals being received from senior citizens for the alleviation of their situation, is the minister giving consideration either to increasing the income tax exemption levels for retired persons or granting tax credits in the budget he will be bringing down next Monday evening.

The answer of the minister was one I might have expected.

He said:

Mr. Speaker, I have noted the hon. member's representation.

I realize it is against the traditions of Parliament for a Minister of Finance to indicate in advance of bringing down a budget what provisions that budget will contain. Nevertheless, it is also one of our traditions that we have the right to press upon the minister changes to which he should be giving active consideration. Therefore I urge very strongly upon the new Minister of Finance that in this his first budget he show some consideration for our older and retired people.

It is a fact that what our retired people need most is an increase in their pensions. They also need a provision for their pensions to be escalated annually at least to the extent of the rise in the cost of living. I realize that these are matters which come under the aegis of the Minister of National Health and Welfare (Mr. Munro). Nevertheless, the Minister of Finance, when he brings his tax proposals before the House, has it in his power to do something to relieve the position of many of our senior citizens. What he can do is raise the income tax exemption level for retired persons or, in my view better still, provide them with tax exemptions so that retired persons whose incomes are modest will not have to pay income tax on those moderate incomes.

• (2200)

As all hon. members are aware, because I believe all of them are receiving such letters, a number of organizations as well as individuals are writing, suggesting that the income tax exemption level for those 65 years of age and over should be $3,000 for single persons and $4,500 for married couples, with a provision for these levels to be escalated annually. This suggestion comes in particular from various associations of superannuated women teachers and superannuated teachers generally as well as from other groups and individuals.

The government can say, of course, that in this year, 1972, certain changes have been put into effect, namely, that the age at which a special exemption is allowed has been fixed at 65 rather than at 70 as it used to be. It can also point out that the amount allowed as an extra exemption for retired people has been raised from $500 to $650. But in light of the needs of our senior citizens and in light of the fact that costs continue to rise, I suggest that for these people on fixed incomes there is a rationale and a case for their being given special income tax treatment.

I hope, therefore, that the noting of my representation, which the minister indicated the other day, will result in active consideration of the claims of our senior citizens. I have observed in editorial comments in various newspapers, over the radio and on television that it is being suggested that whatever else the minister is able to do next Monday night, he ought not to forget our retired people.

I hope the parliamentary secretary will realize tonight that he has a chance to make a name for himself and a chance to be reported across this country if he will even say that he personally, as one who is close to the Minister of Finance, will press him, when he brings down his budget next Monday night, to make tax changes that will alleviate the plight of many of our senior citizens.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member has pointed out that during the oral question period on Monday, May 1, he inquired whether or not the Minister of Finance (Mr. Turner) was considering including certain items in his forthcoming budget. At that time the minister took note of the member's representation and, as the hon. member has indicated, he feels strongly about this area.

It is certainly well within the rights of the hon. member to urge strongly upon the minister certain action in this area. However, I know the hon. member will appreciate that because of traditional budget secrecy nothing further can be said at this time about what is or is not included in the budget which will be brought down by the Minister of Finance next Monday evening.

INDIAN AFFAIRS—REQUEST FOR STATEMENT ON ACTION TO PROTECT RIGHTS IN RELATION TO JAMES BAY HYDROELECTRIC PROJECT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I want to take a few minutes of the time of the House tonight to speak on behalf of 5,000 or 6,000 Cree Indians who live in the James Bay area, the area which will be affected by the proposed hydroelectric power development.

My remarks tonight arise out of a question which I put to the minister on April 26. I asked whether he would outline the position of the government. I asked how he intends to participate in the action which the Indian people themselves have initiated. The minister's reply was that his officials had met with representatives of the Quebec Indian Association the day before and that he would announce his policy after considering the proposal of the Indian people.

Another factor which has led me to make a few comments is that the minister has been somewhat devious in dealing with this matter. On April 26 he said he had received a proposal from the Indians the day before, which was April 25. In the debate in the House of Commons on April 28 he said he had not heard about the proposal until just a day or so prior to that debate. Also, he has said repeatedly that he had not received any request from the Indian people for assistance and that he does not want to be paternalistic and interfere in their affairs.

I think those statements are somewhat misleading. Perhaps this was unintentional, but unless the minister does not read the papers and his mail, he should have known that there was a good deal of opposition to his project based on the fact that these Indians have been hunting, trapping and fishing in the area for 300 or more years and that flooding the entire area would wipe out forever their ability to earn a livelihood. There was no statement by anyone on how they would be compensated or what alternatives they would have, should the old way of life be made impossible on a permanent basis, which would occur through flooding as a result of the construction of dams.

On April 22, the Montreal *Star*—I am sure that the minister read that newspaper—quoted David Diamond's brief as follows:

> I really can't understand them ... those who would destroy other people in order to suit their own selfish ends.

The reference is to the possible destruction of the way of living of the Indian people in this area through flooding which might occur, an area covering 4,000 square miles of forest and valleys. I want to encourage the minister to state his policy. In his discussion on April 28 in the House he said he would have meetings for three days this week—yesterday, today and tomorrow. I would think he would have something to add which might be useful in establishing what the policy is and in allaying the fears of the Indian population in that area.

I think that when the minister said he did not want to be paternalistic he was merely passing the buck. The facts are that the law requires that prior to surrender of any Indian lands an order must be obtained from the governor in council, which means that before any Indian lands are surrendered the Minister of Indian Affairs and Northern Development must give his approval. The Indian people have indicated that they want him to exercise his authority as the guardian of their lands, ensure that such lands will not be surrendered until they are satisfied that their land rights have been fully discussed with people of authority, and assure them of a method of earning a living.

• (2210)

Not too long ago the Indian people indicated their intention to proceed by way of the courts to stop this construction. The minister has indicated that since a request was made to him directly for assistance, he will do everything in his power to assist the Indian people. Since the minister ran out of the chamber a few minutes ago, I would like to know from his parliamentary secretary if the minister will assist the Indians with the legal costs if they continue their proceedings in the courts.

So far my comments have been somewhat critical of the minister for his failure to act on behalf of the Indians. The question is: What alternative could he offer them? The first thought that comes to mind is that some jobs could be given to Indian people during the construction, but we know this is really of no value because we must look at the matter from a long-term point of view. Construction, at best, will last only two or three years.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but his time has expired.

Proceedings on Adjournment Motion

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, with regard to the question that the hon. member for Athabasca (Mr. Yewchuk) asked the minister on April 26, I wish to state that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) added substantially to his previous replies during the debate which took place in the House on Friday, April 28. The minister said on that occasion: "Now that the Indians have officially requested my help I am happy to offer them my assistance. They have asked me to meet them next week and I have agreed to do so."

Most hon. members know that the Indian chiefs from the James Bay area and representatives of the Indians of the Quebec Association are in Ottawa at the time I am speaking and are meeting both today and tomorrow with the minister and his officials. It is appropriate at this stage to mention two of the recommendations in the preliminary study of the environmental impacts of the James Bay development project, prepared by the joint federal-provincial task force. The report, published in February, 1972, recommended:

> That intensive studies be undertaken of the major ecological problem of the impact of the project on the native population of the territory. These studies should examine the effects upon the Indian mode of life caused by both the changes in the natural environment (e.g. hunting, fishing and trapping potential, travel routes, etc.) and of the abrupt superimposition of an alien culture and technology. The object of these studies should be to improve and protect the lot of the Indians, whether they choose to maintain their traditional way of life or to shift to the industrial community. Present efforts to encourage the active participation of the Indians themselves in such studies should be intensified in order to draw upon their innate understanding of the forces of nature.

Another recommendation was:

> That programs be instituted providing full and open discussions with representatives of the native community on the planning of the regional development and on the education and training needs of both Indians and whites that will lead to a reasonable harmonizing of their two cultures.

These recommendations and other subjects will be raised during the discussions between the Indians concerned and the minister. The judicial aspects of the situation will also be reviewed. The minister stated last Friday, and many times previously, that we firmly intend to protect the interests of the Indians. I am sure that when his discussions with the James Bay chiefs and the executive of the association are completed the minister will be pleased to make a further statement.

Motion agreed to and the House adjourned at 10.15 p.m.

HOUSE OF COMMONS

Friday, May 5, 1972

The House met at 11 a.m.

PRIVILEGE

MR. RICHARDSON—ACCURACY OF ANSWER RESPECTING NEW PAY CHEQUES

Hon. James Richardson (Minister of Supply and Services): Mr. Speaker, I wish to rise on a matter of personal privilege. Yesterday when I was not in the House—

Mr. Diefenbaker: When you were behind the curtain.

Mr. Richardson: —the right hon. member for Prince Albert (Mr. Diefenbaker), as reported in *Hansard* on page 1891, said that a statement I made was false. Mr. Speaker, I simply wish to confirm to the House that both of the answers I gave on Wednesday were accurate in every respect.

Some hon. Members: Hear, hear!

Mr. Richardson: The use of the maple leaf symbol on our cheque forms was, of course, a decision of the government of Canada. A secondary objective was to achieve greater security and in that respect, as I clearly stated, my department was advised by the RCMP.

I do not wish to take the time of the House, Mr. Speaker, to restate exactly what I said on Wednesday but I would, Sir, be proud to do so in exactly the same words which I used. If the statements I made were not true I would not have made them in this House.

Some hon. Members: Hear, hear!

Some hon. Members: Withdraw!

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I point to page 1860 of *Hansard* where the statement made by the hon. gentleman to which I alluded is found. It is very clear. I read from page 1860:

> In the explanation that was sent out along with some of the pay cheques it was stated that these changes were introduced to make fraudulent misuse of government cheques increasingly difficult. Did the disappearance of the coat of arms comply with the reasons for the removal thereof? A little later on it is stated that the new design was prompted by a continuing concern for improved security. I ask the minister, has the removal of the coat of arms in any way added to the security of the cheques?

• (1110)

Your Honour said:

> Order please. That obviously is debate. If the minister can reply briefly he will be allowed to do so, but I do not think we should become involved in a debate on this matter.

Then the minister replied:

> Mr. Speaker, security was a second objective of the change in the cheques, and it was done on the recommendation of the Royal Canadian Mounted Police.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Then I said:

> The mounted police made that recommendation? Is that as true as the statement made by the Prime Minister concerning the RCMP when he had to make a retreat?

Mr. Trudeau: That is nothing but a red herring.

Mr. Diefenbaker: The Prime Minister interrupts and applauds that smart statement on the part of the minister. He applauded it.

Mr. Hees: He certainly did.

Mr. Diefenbaker: He applauded it.

Mr. Speaker: Order, please. The minister has risen on a question of privilege and according to tradition the right hon. gentleman is allowed to comment on the question of privilege raised by the Minister of Supply and Services. We should not, however, become involved in debate on the matter.

Mr. Diefenbaker: I mentioned a moment ago that the Prime Minister went into ecstasies that the answer was so smart and put the responsibility on the shoulders of the RCMP. Every newspaper in Canada that I have read pointed out that this is what the minister said and meant. There is no question about it. Having made that statement, the minister suddenly decided he had got himself into difficulties. He rushed out to the television cameras to explain the unexplainable and pretended he had not said it.

Mr. Richardson: Mr. Speaker—

Mr. Speaker: Order, please. I doubt that much can be gained by continuing this matter. I do not want to prevent the minister from commenting further—would the minister kindly resume his seat. I suggest we could become involved in a long debate in trying to determine exactly what the minister said and how that statement might be interpreted. I doubt very much that anything can be gained by pursuing the matter further by way of question of privilege. We have obviously entered upon a debate which could be prolonged, and I do not think that would be of much assistance in the conduct of the affairs of the House.

Mr. Richardson: I agree with you, Mr. Speaker, that we cannot go further with the debate. I simply ask you, Sir, to rule on the one matter that is before the House this morning, the question of privilege concerning the statement

made by the right hon. member that a statement I had made in the House was false. The record clearly shows that it was not false.

Mr. Speaker: Order, please. I respectfully suggest to the minister that this can hardly be a question of privilege. The matter of what has been said or the interpretation of statements made by members in the House cannot be raised by way of a question of privilege. We regularly, from day to day in debate, hear hon. members claiming that statements made by other hon. members are incorrect. How far we can go in saying that such statements are incorrect is difficult to determine. But no hon. member can accuse another hon. member of uttering a deliberate falsehood. I did not understand that the right hon. gentleman had made such a statement. He said that the statement made was false. The minister has given his explanation and I would have to rule that the matter at that point becomes debate. I suggest that I ought not to be called upon to make a ruling on the question of privilege. If I were called on, I would have to say that, according to well established practice, this is debate and the matter is not a question of privilege.

ROUTINE PROCEEDINGS

TRANSPORT AND COMMUNICATIONS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Charles Turner (London East, for Mr. Lessard, LaSalle) moved that the second report of the Standing Committee on Transport and Communications, presented to the House on Wednesday, May 3, 1972, be concurred in.

Motion agreed to.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—ANNOUNCEMENT OF PROVISION OF ADDITIONAL FUNDS TO EXTEND CERTAIN PROJECTS TO SEPTEMBER 30

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I have a very short statement to read concerning the Local Initiatives Program, a program which has clearly demonstrated its effectiveness in reaching pockets of unemployment in geographic areas and among groups of the population not touched by more traditional programs. In addition, because of the community initiative and government response implicit in the concept of the Local Initiatives Program, many of the projects have not only created jobs but provided important and beneficial services to the community as a whole. It is anticipated, therefore, that it would be beneficial to extend certain projects beyond May 31, based on criteria that emphasize these beneficial services to the community rather than solely their effect on unemployment.

[Mr. Richardson.]

I am, therefore, pleased to announce that the government has decided to make available an additional $30 million for this program.

Some hon. Members: Hear, hear!

Mr. Mackasey: This will allow for the extension to September 30 of those successful projects which have not only proved themselves worth while in terms of job creation but have provided a needed local service or contributed significantly to the quality of life in the community. The most worth-while and effective projects will be selected during the next few days and project co-ordinators will be advised.

While by definition all projects approved were good and worth while, some 1,200 have demonstrated that they have made a particular contribution and it is these that will be selected on the basis of visits by the program monitors.

The criteria which the department will be applying in selecting or rejecting projects are basically these: First, projects providing an essential community service which would disappear if the project terminated, such as day-care centres, help to senior citizens and the like. Second, projects reaching unemployed in particularly difficult geographical areas and which have demonstrated an ability to help return to the active labour force those who have not been able to find work for a long time, including older workers and members of native populations. Third, projects which have a reasonable expectation that they may achieve an alternative source of funds in the near future or because they have developed some revenue producing ability.

Likely to be excluded are those that have completed the purpose for which they were established or those that were fully seasonal in nature, as well as most construction projects.

Excluded from this group will be those projects to which I referred in the House on May 1. They are mainly projects of a construction nature which were provided with an extension of time until June 16 to ensure their completion.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, for a good number of Canadians, at least the people involved in 1,200 projects, Santa Claus is going to come twice this year. In that regard and on behalf of our party I have to say that we are quite happy for those people who will be reselected for a continuation of the LIP program. The minister stated on page 2: "While by definition all projects approved were good and worth while, some 1,200 have demonstrated that they have made a particular contribution." I am sure he does not mean to indicate that the remaining projects have not demonstrated a particular contribution. In terms of the people who will receive a second incentive from the government in the way of a renewed LIP grant, we welcome the statement. Nevertheless, we have to make certain observations.

The minister indicated in his statement that the project co-ordinators will be selecting the various projects. He also indicated that a good number will be rejected and a very small number will be accepted for further grants. Last October, seven months ago, the government decided out of panic as a result of the release of the unemploy-

ment statistics that some program had to be introduced. They were finally convinced we were going to be in for a serious winter unemployment problem. All the directors of the various departments were issued orders by the government to dust out their drawers, bring their programs forward and the government would throw in some money. What they threw together was the LIP program.

• (1120)

Of all the people who applied, and mainly from the communities which were the most structured in terms of formal organizations, a very small number were selected for approval. They were selected by the government's appointees. Today the minister is admitting that these same project co-ordinators have set themselves up as some great omnipotent body and they have decided that of the projects which were selected a few have made a particular contribution and they will be refunded. What has happened to all the projects which were rejected between October and the deadline for accepting projects in January? All those Canadians, thousands of them, community leaders, church leaders, Lions clubs, community councils, municipalities, who submitted projects have automatically been eliminated from any further consideration by the government. This is unfair. Certainly the projects which were submitted in October, November, December and January and were rejected should be given some consideration. Those people were encouraged and activated. Their informal leaders were given some hope. The government rejected them in January and they have rejected them automatically again. This is a very serious matter. I say there are thousands of Canadians across this country today who are frustrated by the haphazard way in which the government has gone about project selection, and again we are seeing a continuance of it.

The government today is admitting once again that it has been able to make a significant impression on unemployment. They applied a band-aid in October with their Local Initiatives Program. We welcomed that because we realized there was a need for some sort of short-term program. Today we are getting another band-aid applied to the band-aid they applied in October. This is exactly what it is. There is no indication of any long-term program which can be built on and which will result in the recurrence of employment opportunities in another year. The government has a responsibility to the Canadian people to come through with much more than this type of short-term, ad hoc program. Certainly, on the eve of Monday, May 8, we are looking forward to the unveiling of a much more comprehensive government program which will take care of unemployment in a significant way. This action is not going to resolve the problem. It will result in a tremendous amount of bad feeling among Canadians across this country who have been automatically eliminated from the program as a result of the restrictiveness announced by the minister today.

Mr. David Lewis (York South): Mr. Speaker, it is obviously impossible not to welcome even the little that the minister has announced. But I wish to say to the hon. gentleman and to the government that it is difficult to think of anything less that could have been done.

I understand that there are about 3,800 private programs approved under LIP and about 1,800 municipal programs, making a total of 5,600. Apparently the government has already decided that only about 1,200 of them are to be extended to September 30.

The original Local Initiatives Program as an answer to the unemployment problem was obviously ridiculous, obviously nothing. The present answer to the unemployment problem this summer is even less than that: 1,200 projects will probably provide less than 10,000 jobs at a time when there are well over 600,000 unemployed and the University of Toronto Institute, to which I referred yesterday, has forecast unemployment rates of over 6 per cent, seasonally adjusted, throughout this year and 1972. Therefore I want to make it very clear that while my colleagues and I are glad that at least 10,000 more Canadians will be able to have three or four months' work with pay, we cannot help but condemn the government for its lack of imagination in dealing with a problem so pervasive throughout the country.

If the Local Initiatives Program was of hardly any help at all in solving unemployment, it was imaginative and it still is imaginative to the extent that it has enabled local people to decide on their own programs and to participate in a meaningful way in doing something for the community in which they live. But many communities have been left out. Many applications have been refused. Many municipalities have not had what they believe they should have had; many of the provinces have not had what they believe they should have had.

Instead of extending the entire program for a few months to give the government time to think of a permanent program of this kind to involve young people and others in an ongoing way in providing not only work for themselves but service to the communities in which they live, the government has come down with what is typical of this government—and I say this with regret—something more about which they can boast on the election hustings either this summer or whenever the Prime Minister (Mr. Trudeau) decides to call an election. Therefore I suggest to the minister that this is totally unacceptable as a solution, even in the narrow range of LIP. There are about 4,000 or more projects now under way that will have to be dumped on May 31. The criteria proposed by the minister in his statement are, to me, almost incomprehensible. I do not know what he is talking about in any one of the three criteria. I do not know what they mean in the language he has used, and to the extent that they have meaning it seems to me that they are the wrong criteria on which to base the program.

The people involved in LIP have co-ordinated themselves into a committee and there was a meeting in Toronto last night. Some of these people visited Ottawa today and met with members of parliament. They have pleaded that their programs be extended and that the program be made a permanent part of government action involving local people. I think it is shameful that the minister has not been able to announce more than this minuscule of a program.

Local Initiatives Program

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I am pleased to learn this morning of the decision taken regarding local initiative programs.

It will be remembered that I rose many a time in the House to urge that as many projects as possible be accepted, and also to ask the President of the Treasury Board and the Prime Minister to grant extra amounts to the minister in charge of the local initiatives program. We were repeatedly told that we should not entertain too much hope in this regard. This morning, I see that we are in May, that all nature is abloom again and that even in this field we have the pleasure of hearing that it has at last been decided to do something.

I should just like to say that this program, in my opinion, has increased the purchasing power of Canadians while achieving—as I hope—in most cases implementation of work Canadians had long hoped for but were unable to carry out for lack of the necessary funds.

I would however urge the hon. minister, if his health is now restored, as I hope, to follow more closely the decisions made and the future selection of programs already submitted but not approved, giving special consideration to projects submitted by highly responsible agencies concerned with bringing about improvement of public services in their community, such as community halls and public works to assist villages and municipalities in effectively controlling pollution.

I remember one specific project, submitted by a slaughtering co-operative, whose sewers flow into a river, thereby contributing to the pollution of the water. This project was especially intended for works likely to stop the direct flow of sewage into the river. The St-Anselme municipal authorities were strongly in favour of this project, if I may be permitted to give you the name of the interested people.

I hope that, following the experience of the recent months and in view of the popular response, the minister will be in a better position to give this program an appropriate direction. I also hope that it will be continued so that these organizations will now be able to provide those long awaited services for the people.

On concluding my remarks, I would like to say that I am in favour of this decision and that I am quite satisfied about it. I shall be more so when the projects are finalized and if they are the answer to the hopes and wishes I have just mentioned. I shall then express my satisfaction. Such is my way of co-operating when good decisions are being taken and when the country is administered and afforded possibilities which are expected by all.

[Mr. Lewis.]

• (1130)

[*English*]

TRANSPORT

PROPOSED CARRIAGE OF KOOTENAY COAL OVER U.S. RAILWAY LINE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I have a matter of extreme urgency which concerns thousands of railway and other employees in Canada. I therefore move, under Standing Order 43, seconded by the hon. member for Kootenay West (Mr. Harding):

That in the opinion of this House, the government should give immediate consideration to the introduction of necessary amendments to the Railway Act or other acts so that the Canadian Transport Commission can make decisions based on public interest or on any other adequate reason, specifically to prevent the movement of coal from the east Kootenays to the Pacific coast via United States rail routes which will result in major economic loss to Canada, involving the loss of thousands of Canadian jobs.

Mr. Speaker: This motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—RESIGNATION OF CERTAIN OFFICIALS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. André Fortin (Lotbinière): Mr. Speaker, pursuant to Standing Order 43, I seek leave of the House to move a motion concerning a matter which is obviously urgent and of national interest.

This urgent and pressing matter arises from the resignations of more than eight directors of the Opportunities for Youth program, which is so much more serious since they all resigned as one man.

What makes it even more urgent is that they all acted in reaction to one thing, namely, political interference.

In the interest of the public which has a right to know through its elected representatives how are spent—

Mr. Speaker: Order. The hon. member is aware, I am sure, of the provisions of the Standing Orders. He cannot present any argument in support of his motion. In fact, following a very brief explanation, he must merely state the motion that he wants put to the House, after which the Chair will determine whether or not there is unanimous consent.

Mr. Fortin: Mr. Speaker, I was coming to that.

I therefore move, seconded by the hon. member for Abitibi (Mr. Laprise):

That the House ask the Secretary of State to report on the reasons which motivated the resignation of those federal

employees and on the veracity of the charges made by them with regard to political interference in the approval of those projects.

Mr. Speaker: Under Standing Order 43, that motion requires unanimous consent of the House. Is the House unanimous?

Some hon. Members: Yes.

Some hon. Members: No.

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

* * *

[*English*]

BRITISH NORTH AMERICA ACT, 1949

AMENDMENT OF TERM 17 OF TERMS OF UNION OF NEWFOUNDLAND WITH CANADA

On the order: Government Notices of Motions:

May 3, 1972—The Minister of Transport:

That a humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's most Excellent Majesty:

Most Gracious Sovereign:

We Your Majesty's most dutiful and loyal subjects, the Commons of Canada in Parliament assembled, humbly approach Your Majesty praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1949

Whereas Canada has requested, and consented to, the enactment of the following provisions, and the Senate and House of Commons of Canada in Parliament assembled have submitted an Address to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for that purpose:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Terms of Union of Newfoundland with Canada amended

1. Term 17 of the *Terms of Union of Newfoundland with Canada* set out in the Schedule to the *British North America Act, 1949* is repealed and the following substituted therefor:

"17. (1) In lieu of section ninety-three of the British North America Act, 1867, the following Term shall apply in respect of the Province of Newfoundland:

In and for the Province of Newfoundland the Legislature shall have exclusive authority to make laws in relation to education, but the Legislature will not have authority to make laws prejudicially affecting any right or privilege with respect to denominational schools, common (amalgamated) schools, or denominational colleges, that any class or classes of persons had by law in Newfoundland at the date of Union, or any like right or privilege with respect to such schools or colleges that any other class or classes of persons have had by law in Newfoundland after the date of Union as members of a religious denomination or one of a group of religious denominations that, by or under the Schools Act of Newfoundland, is or at any time has been recognized as being organized for educational purposes, and out of public funds of the *British North America Act*

Province of Newfoundland provided for education,

(*a*) all such schools shall receive their share of such funds in accordance with scales determined on a non-discriminatory basis from time to time by the Legislature for all schools then being conducted under authority of the Legislature; and

(*b*) all such colleges shall receive their share of any grant from time to time voted for all colleges then being conducted under authority of the Legislature, such grant being distributed on a non-discriminatory basis.

(2) In this Term, "Schools Act of Newfoundland" means The Schools Act, 1969, being the Act No. 68 of 1969 (Statutes of Newfoundland), as amended from time to time, or any Act substituted therefor as amended from time to time."

Coming into force of amendment

2. For greater certainty, the provisions of Term 50 of the *Terms of Union of Newfoundland with Canada* set out in the Schedule to the *British North America Act, 1949*, in so far as those provisions relate to the approval and coming into force of the said Terms, do not apply to or in respect of the amendment set out in section 1 of this Act.

Short title and citation

3. This Act may be cited as the *British North America Act, 1972*; and the *British North America Acts, 1867 to 1965*, and this Act may be cited together as the *British North America Acts, 1867 to 1972*.

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

ORAL QUESTION PERIOD

DRUGS

GOVERNMENT INTENTIONS CONCERNING NON-MEDICAL USE OF DRUGS DIRECTORATE FOLLOWING RESIGNATION OF DIRECTOR

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister. In view of the announced resignation of Dr. William Craig, head of the federal directorate on the non-medical use of drugs, can he indicate whether the government intends to continue to support this program and whether the government is reconsidering the allocation of sufficient funds to carry out this necessary work?

Right Hon. P. E. Trudeau (Prime Minister): The answer to the first question, is yes, Mr. Speaker. On the matter of funds, I have not discussed this with the Minister of National Health and Welfare in recent days and I would have to refer to him for an answer.

Mr. Mazankowski: Mr. Speaker, would the Prime Minister indicate whether we can expect a statement on motions either from the Prime Minister or the Minister of National Health and Welfare clarifying the whole situation, and in particular the future of any programs designed to combat drug abuse?

Inquiries of the Ministry

Mr. Trudeau: Mr. Speaker, the minister will always be pleased to answer questions addressed to him on subjects within the jurisdiction of his department. I know he was prepared to do so yesterday but I believe he did not have any questions on this subject. I am sure he is prepared to do so in any event.

* * *

THE CANADIAN ECONOMY

POSSIBILITY OF FURTHER MEASURES TO DEAL WITH FOREIGN INVESTMENT

Mr. David Lewis (York South): Mr. Speaker, the Minister of Industry, Trade and Commerce is reported in one of the morning newspapers to have stated to some journalists that there were other measures to deal with foreign ownership and foreign investment which the government would eventually bring in. May I ask him what measures he had in mind?

Mr. Speaker: Perhaps the question might be asked directly. The hon. member knows the rule about referring to statements made by a minister outside the House. Having said that, we can assume that the question has been asked directly.

Mr. Lewis: Mr. Speaker, I was asking the minister whether he would tell the House what other measures in respect of foreign ownership and foreign investment the government is contemplating, if it is contemplating any, and when we may expect such measures to be announced?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I was not really adding anything to what was said by the Minister of National Revenue when he made his announcement. Yesterday, for example, when the Leader of the Opposition asked me whether we were contemplating moves having to do with participation in Canadian industry I said there was, among the five factors to be used in deciding on takeovers under the bill which has been introduced, one called "participation". When a takeover is being studied by my department the degree of participation by Canadians in that particular instance would be a consideration taken into account in determining whether the takeover was an allowable one or not.

Mr. Lewis: From that I gather the minister was not saying anything to the press.

UNITED STATES DISC PROGRAM—REQUEST FOR STATEMENT ON MEETING OF MINISTER AND HEADS OF AUTOMOBILE COMPANIES

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce whether he has met with the heads of the automobile firms regarding DISC and the problems deriving from it, which heads of which firms he has met and when we may expect a statement from him on that subject?

[Mr. Mazankowski.]

• (1140)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I did meet with all four of the main automobile manufacturers in Canada and the information that was gathered is presently being assembled and will be the main part of my contribution to the budget debate.

Mr. Hees: There is a real clear-cut answer!

Mr. Lewis: I hope the information now being examined is more reliable than the information the minister had earlier.

MONITORING UNIT TO EXERCISE SURVEILLANCE OVER FOREIGN TAKEOVERS UNTIL BILL BECOMES LAW

Mr. David Lewis (York South): Mr. Speaker, may I ask the minister this question: Would he inform the House whether he has set up or is contemplating setting up a monitoring unit of some sort to have some surveillance over foreign takeovers that might take place during the interim period until the bill which was introduced yesterday becomes law?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, as the Prime Minister said the other day, the law will not be retroactive, but I expect that people who intend to proceed to important takeovers in the meantime or in the interim period will keep me informed.

Mr. Lewis: I have a further supplementary, Mr. Speaker. May I ask the minister whether he has given thought concerning how he will act and what will happen in the case of takeover negotiations that have been completed when the law comes into force but completion has not yet been formalized? Will the law apply to such situations, or what exactly will he do with that kind of situation?

Mr. Speaker: I would think the hon. member is asking for a legal interpretation. At least, that is my interpretation of the hon. member's question. The hon. member for Halifax-Dartmouth East on a supplementary.

FOREIGN OWNERSHIP—SUGGESTED DEFERMENT OF TRANSFER OF CANADIAN SHIPS TO FOREIGN REGISTRY UNTIL REVIEW POSSIBLE WHEN BILL BECOMES LAW

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. I wonder whether in one very specific area, particularly in light of the concern expressed by Leonard McLaughlin, President of the Seafarers International Union in a telegram to the minister, he would give some consideration to deferring the transfer of Canadian ships to foreign registry until such time as there is a process or procedure within his new legislation for reviewing the laws in respect of Canada's flagships, particularly in the tugboat industry on the east coast. Will he give some consideration to that?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): If I understand the question well, the idea would be to start implementing the future bill in anticipation of what it would include and that is not our intention.

UNITED STATES DISC PROGRAM—PROVISION OF INFORMATION SUPPLIED BY HEADS OF AUTOMOBILE COMPANIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. In view of the fact there will be no possibility of the minister making any statement in the budget debate until Thursday or Friday of next week, how can he possibly justify keeping from the House and country important information about the extent to which automobile companies in the United States are using DISC?

Mr. Speaker: Order. The Leader of the Opposition will agree with me, I am sure, that this is argument, not a question.

DIFFERENTIAL IN CAR PRICES IN FAVOUR OF UNITED STATES PURCHASERS—DISCUSSION WITH HEADS OF AUTOMOBILE COMPANIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce whether he discussed with the heads of the automobile companies, when he met them the fact that Canadian automobiles produced in Canada are now being sold for substantially less in the United States than in Canada and what they propose to do about it?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am not trying to be difficult. It is just that it is a very complicated matter. On the subject of the use of DISC, for example, the four companies are in a different situation—

Mr. Stanfield: On a point of order, Mr. Speaker, may I suggest it would be appropriate for the minister to make a statement on motions on this subject with full disclosure.

Mr. Speaker: Order, please.

Some hon. Members: Hear, hear!

Mr. Speaker: Perhaps we might return to this subject in a moment. Obviously there are a number of supplementaries. I will recognize the hon. member for Winnipeg North for a further supplementary, then the hon. member for Lotbinière and then return to supplementaries on this subject.

Mr. Pepin: Mr. Speaker, it might be helpful—

Mr. Speaker: Order, please. The hon. member for Winnipeg North.

Mr. Orlikow: Mr. Speaker, I have no further supplementary. I would like the minister to answer the question I asked.

Inquiries of the Ministry

Mr. Pepin: The question asked concerns the differential between the price of automobiles in Canada and the United States at the present time and how one accounts for that. This is exactly what I intend to present to the House next week. I will be indicating what the difference is, what the justifications are, and will be expressing a view on how justified the justification is.

Mr. Speaker: Order, please. Obviously a number of supplementaries are sought. I think they should be allowed in a short while, but in fairness the Chair will go to a representative of the party to my extreme left.

* * *

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR INQUIRY INTO RESIGNATION OF CERTAIN OFFICIALS—VERIFICATION OF LIST OF PROJECTS

Mr. André Fortin (Lotbinière): Mr. Speaker, in view of the resignation of eight officials of the Opportunities for Youth program and their allegations of political interference, I wish to direct a question to the Prime Minister.

Is it the intention of the Prime Minister to check this information for correctness so as to reassure parliament and the people as to the integrity of this program?

Right Hon. P. E. Trudeau (Prime Minister): I think I can reassure the people, Mr. Speaker. If there was any political interference, I think that the programs would not be spread as they are over all parts of the country.

As to the minister's attitude, I can also answer for it. It consists precisely in preventing any political interference from people who intended to use this program as a vehicle for their own ideologies.

Mr. Fortin: Mr. Speaker, I should like to put a supplementary question.

The Prime Minister's comments are quite reassuring. Nevertheless, could he tell us whether it is true that four lists of projects were submitted, that is one to the Quebec premier, another to the members, another to the Prime Minister's office and one to the RCMP before those projects were approved? Is it true?

Mr. Trudeau: Mr. Speaker, the minister has always recognized that all the parties concerned were consulted. I suppose that it could mean the Quebec government and in some security matters the RCMP. But I do not agree that there were lists as suggested by the hon. member.

[*English*]

Mr. Speaker: The Chair will now recognize members with supplementaries on the previous subject. I believe the hon. member for Winnipeg North has a further supplementary.

Inquiries of the Ministry

THE CANADIAN ECONOMY

DIFFERENTIAL IN CAR PRICES IN FAVOUR OF UNITED STATES PURCHASERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce this question. When he makes that famous speech during the budget debate, will he indicate to the House why the assurance given for many years by the President of the Treasury Board that the difference in prices between Canadian and United States autos would disappear in time has not been realized?

Mr. Speaker: Order, please. The hon. member for Lachine on a supplementary.

UNEMPLOYMENT—ALLEGED ATTITUDE OF GOVERNMENT IN PAST AS CAUSE

Mr. Raymond Rock (Lachine): Mr. Speaker, this is a supplementary to the Minister of Industry, Trade and Commerce. In view of his statement which appeared in today's *Gazette* entitled "Ownership Bill to Get Tougher as Times Better"—

Mr. Speaker: Order, please. Will the hon. member ask the question directly. It is preferable to do it in this way rather than use an article or statement made outside the House.

Mr. Rock: I have to quote his words before asking the question, if I may be permitted to do so.

Mr. Speaker: That is irregular, but other questions have also been irregular on occasion.

Mr. Rock: In view of his statement in the *Gazette*, is the minister admitting that the government's past anti-attitude toward foreign investment caused much of the unemployment today?

• (1150)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not really think this is an actual quotation. It is a fabricated quote from things I said.

Mr. Hees: Misquoted again!

Mr. Pepin: My position on this from the beginning has been very clear. The governments decision was a wise and prudent one. I have emphasized that. I have also emphasized that we were exercising the normal qualities of politicians when we made that decision. We were conscious of the views of the provinces. We were aware of the views of industry in Canada—

Mr. Speaker: Order, please.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker is on his feet.

Mr. Speaker: Order, please. We have to try to make some progress. The Chair will recognize one or two further supplementaries on this subject and return to the matter later if there is time. Obviously we should not get involved in debate. If there is more and more debate there will be less and less questioning and answering. The hon. member for Lachine.

[Mr. Speaker.]

Mr. Rock: Was the governments anti-foreign attitude part of the plan to fight inflation by causing unemployment?

Mr. Speaker: Order, please. That of course is debate.

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INDUSTRY

FURTHER INCENTIVE GRANT TO MICHELIN TIRE—DUTY-FREE ACCESS PERIOD—IMPACT OF GRANT ON EMPLOYMENT IN OTHER COMPANIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a new question for the Minister of Industry, Trade and Commerce which he may be able to cover in his five-hour speech next week. In view of the fact the federal government has announced another $8 million grant to the Michelin Tire Corporation, is the minister in a position to inform the House whether or not the date has been set for the three-year period in which that corporation is to have duty-free access to the tire market in Canada?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, in view of the fact that this comes under the jurisdiction of the Minister of Finance I would not like to invade his area of jurisdiction. He will answer the question on the next occasion.

Mr. Broadbent: In view of the fact that the tire industry elsewhere in Canada outside the province of Nova Scotia is at present operating below capacity, have the minister and his officials considered the impact on unemployment elsewhere in Canada caused by making this grant?

Mr. Pepin: Yes, Mr. Speaker. I well understand what the hon. member is talking about. There are in this area developments that are shaping up, which everybody hopes will come to a conclusion that will be meaningful to the Canadian economy.

Mr. Speaker: The hon. member may ask one last supplementary on this subject and then we will go to another subject.

Mr. Broadbent: Is the minister aware of the fact that at least three presidents or vice-presidents of tire corporations in the province of Ontario have indicated complete disagreement with the statement he has just made?

Mr. Speaker: Order, please. The right hon. member for Prince Albert.

FLOODS

POSSIBLE DECLARATION OF TISDALE-ARMLEY REGION, SASKATCHEWAN, AS DISASTER AREA—PROVISION OF COMPENSATION FOR LOSSES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. It is in connection with previous questions I have asked regarding the large region in the Tisdale-Armley area of Saskatchewan that has been inundated as a consequence of floods. Has the government of Saskatchewan declared the region in question to be a disaster area, and has it made any request yet to the government of Canada to make a contribution to meet the very heavy losses that are being suffered and will be suffered in harvesting in these areas?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not think a request has been made to the federal government to participate in the assistance program although there was one carried out last winter of up to $2,000 per farmer or $20 per acre. In addition, I understand that the claims for crop insurance are now being processed and we have reason to believe that the indemnity in most cases will be paid in full.

Mr. Diefenbaker: In addition to crop insurance payments that will be made with respect to crops that were not harvested last fall or were not threshed, what about the tremendous losses these people have suffered in a 50,000-acre area for which there is no compensation under crop insurance? What is going to be done about them? Is the government of Canada going to give any assistance to these people, or can it do so before being requested by the government of Saskatchewan?

Mr. Olson: Mr. Speaker, I think it would be a departure from the normal policy of waiting for the province to make a request if we were to attempt to set up a direct assistance program circumventing the provincial government. As I said the other day, there is a precedent in regard to losses other than crop losses. If the Saskatchewan government feels it is beyond its capacity to cope with the matter it can make an application to the federal government.

Mr. Diefenbaker: Mr. Speaker, if the Saskatchewan government does what one expects it will, namely, make a request for assistance, and considering the investigation that has already been made by officials of the federal Department of Agriculture, will the government of Canada give consideration to making payments to these farmers who will not be covered by crop insurance and the like?

Mr. Olson: Mr. Speaker, the federal government always gives consideration to requests that come from the provinces in this respect, but I can give no undertaking beyond that because we have not seen the nature of the damage or the kind of the program the province would wish to use.

Mr. Speaker: Order, please. Perhaps we have reached the moment when the Chair should try to give effect to the undertaking it made yesterday to recognize some of the

backbenchers, some of the frontbenchers in the back rows. I will begin with the hon. member for Lisgar.

* * *

INCOME TAX

EVALUATION BY INTERDEPARTMENTAL COMMITTEE OF APPLICATION OF NEW ACT TO AGRICULTURE—OPPORTUNITY FOR SUBMISSIONS

Mr. Jack Murta (Lisgar): Mr. Speaker, as the Minister of Finance is not in the House I will direct my question to the Minister of State. In view of the fact the government has announced that a specific group will be set up to evaluate agricultural taxation policy as it pertains to the new tax changes, will this body be receiving submissions from interested groups across Canada, and when and how will the taxation changes that come about be made public?

Hon. P. M. Mahoney (Minister of State): Mr. Speaker, the particular group to which the hon. member is alluding is an interdepartmental committee consisting of officials from the Department of Agriculture, Department of Finance and Department of National Revenue. Persons wishing to communicate views or opinions to them may do so through myself, the Minister of Finance, or any of the other ministers concerned. As to the method by which the tax changes, if any, recommended by that committee come into effect, that of course is a matter for parliament to deal with at the time.

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AGRICULTURE

FERTILIZER—INVESTIGATION OF ALLEGED EXCESSIVE PRICES IN MANITOBA AND SASKATCHEWAN

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. It arises out of a question directed to him a few days ago when he was asked about the prices of fertilizer in Manitoba and Saskatchewan in relation to the prices in states south of the border and the possibility of a combine or cartel operating in this field. The minister replied that if there was something more than rumour he would look into it. I called his attention to some evidence. Is he giving it consideration, and is he prepared to look into the excessive prices charged for fertilizer in those two provinces?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the hon. member attempted to provide some evidence. However, it was not very useful because, so far as I can recall, it was simply some comments that had been made in a paper. If we could have some invoices and other things like that of a substantive nature it would be helpful.

Mr. Gleave: Mr. Speaker, will the minister give an undertaking that if I do provide him with invoices he will conduct an investigation?

Mr. Speaker: Order, please. The hon. member's supplementary is obviously hypothetical.

Inquiries of the Ministry

[*Translation*]

MANPOWER

BILL UNDER STUDY BY U.S. CONGRESS—POSSIBLE REPERCUSSIONS ON RESIDENTS OF SOUTHEASTERN QUEBEC WORKING IN UNITED STATES

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

Since the American Congress is now considering Bill S-1488 which, if passed, will affect at least 8,500 southeastern Quebec workers, may I ask the minister whether he is aware of this bill and if officials from his department will be sent for an on-the-spot study on the impact of this bill on Canadian workers in southeastern Quebec?

• (1200)

[*English*]

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I must be honest and say that I am not fully familiar with the bill which obviously originated in the other place, but I will look at it today and report back to the hon. member on Monday.

Mr. Speaker: The hon. member for Huron.

Mr. McKinley: Mr. Speaker, I have a question—

[*Translation*]

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

[*English*]

Mr. Speaker: Order, please. I apologize to the hon. member for Huron. Perhaps we might return to him in a moment, but first the hon. member for Bellechasse has a supplementary.

[*Translation*]

The hon. member for Bellechasse on a supplementary.

Mr. Lambert (Bellechasse): Mr. Speaker, I wish to ask a supplementary question.

In view of the importance of the matter, may I ask the Minister of Labour, once he has made inquiries, to make a statement to the House so that interested parties may be told as soon as possible.

[*English*]

Mr. Mackasey: Mr. Speaker, I shall take up that matter with the Minister of Labour.

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AGRICULTURE

SUGAR BEETS—REQUEST FOR EARLY MEETING BETWEEN MINISTER AND REPRESENTATIVES OF INDUSTRY

Mr. R. E. McKinley (Huron): Mr. Speaker, I have a question for the Minister of Agriculture. I understand that the Ontario Sugar Beet Marketing Board and representatives of farm organizations will be meeting with the Standing Committee on Agriculture next Tuesday. They did not have a chance to see the minister the last time they were in Ottawa, so I wonder whether he would make himself available for that meeting to hear their representations or is he going to meet with them separately next week?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I should like to meet with them as soon as possible. I cannot be at the committee meeting on Tuesday, but certainly I would hope to find a mutually convenient opportunity very soon.

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VETERAN'S AFFAIRS

REQUEST FOR LIGHTING OF MEMORIAL IN POINT PLEASANT PARK, HALIFAX

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Veterans Affairs. As we approach the commemoration of the battle of the Atlantic this coming weekend, would the minister give some consideration to accepting responsibility, as a gift on the part of the Canadian people, for the lighting of the national memorial in Point Pleasant Park, Halifax?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, we will give consideration to that proposal.

Mr. Bell: Get a few more ships, too, for the navy.

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MANPOWER

LOCAL INITIATIVES PROGRAM—PERSONNEL MAKING DECISIONS ON EXTENSION OF PROGRAMS—REQUEST FOR CONSULTATION WITH THOSE INVOLVED

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Manpower and Immigration regarding his statement earlier today. Who will make the decisions as to which LIP projects will be extended, and can the minister assure the House that the local people involved will be consulted regarding the projects?

Mr. Stanfield: Let's not get into that.

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, the 5,000-odd programs that are already in existence, many of which will be phased out at the end of May, have been visited by representatives of the department and evaluated to the extent of 92 per cent. A committee, which is independent of the minister for obvious reasons, has evaluated the projects submitted from the very beginning and it is expected that this committee, based on its studies, will select the 1,200 particular projects. The concept is not the effect it will have on unemployment—that would be very simple as the criteria would be merely that the project should be labour-intensive—but rather the effect that the programs have on the quality of life in many parts of this country, particularly those projects, for instance, that render direct assistance to senior citizens—

Mr. Speaker: Order, please. The hon. member for St. John's East on a supplementary.

LOCAL INITIATIVES PROGRAM—CONSULTATION WITH PROVINCES ON EXTENSION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary. In view of the fact that a number of provinces have had to supplement LIP programs in order to ensure their completion or by providing additional services, may I ask the minister if there has been any consultation with the provinces on the existing program or on the program which he announced today?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, there has been no consultation with the provinces on the concept of providing additional funds. A week or so ago, I mentioned that I would be extending certain projects at the request of many of the provinces and many municipalities, projects that began late because of climatic or other reasons, until at least the middle of June. These programs to which I have referred are temporary in nature, and the provinces are aware of them. If there are any particular projects that the provinces would refuse permission to extend on constitutional grounds, then I would have to respect the views of the provinces.

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GOVERNMENT ADMINISTRATION

RECENT APPOINTMENT OF SCOTSMAN TO JOB IN CAPE BRETON—SUGGESTED REPLACEMENT BY CANADIAN

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Having in mind the 29 to 31 per cent rate of unemployment in Cape Breton and the action of AECL in not advertising a position and hiring a man without experience from Scotland, will the minister take steps to correct the situation and assure the House that the government's first concern is for the Canadian unemployed?

Some hon. Members: Hear, hear!

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would have to make a further inquiry into this. I would have to acknowledge an hereditary bias toward hiring people from Scotland, but not over people from Nova Scotia.

Mr. MacInnis: Question. When the minister makes the inquiry I can assure him that he will get the exact answer I have mentioned here. Will the minister assure the House that he will take steps to ensure that this position will be reopened and made available to the many Canadians who are qualified?

Mr. Macdonald (Rosedale): Mr. Speaker, not knowing the exact details and AECL of course being autonomous in terms of administration I would not like to upset that particular custom.

Inquiries of the Ministry

TRANSPORT

PROPOSED LINKING OF KOOTENAY AND ELK RAILWAY TO U.S. LINE—REQUEST FOR ACTION TO PREVENT MOVEMENT OF COAL TO U.S. PORTS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, my question is directed to the Minister of National Revenue. In view of the statement made in the judgment handed down by Mr. Justice Hall in the case of the Kootenay and Elk Railway Company and the Burlington-Northern versus the Canadian Pacific Railway Company to the effect that:

the whole scheme would appear to be a classic case of a foreign conglomerate in concert with related Canadian companies so manipulating the enterprise that the export of Canadian jobs would be the result—

Mr. Speaker: Order, please. We are running short of time and the hon. member will have noticed that a number of his colleagues to his right and in front are anxious to ask questions. The hon. member should not make a speech.

Mr. Skoberg: Mr. Speaker, I had to preface my question so that you would understand what it was. May I ask the Minister of National Revenue if any action is being taken to review that decision in order to stop the movement of that coal and other resources to possible U.S. coast ports?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I have not had a chance to review the court decision in question. I will be happy to do so and see if it raises any implications for matters under the jurisdiction of the Department of National Revenue.

PROPOSED LINKING OF KOOTENAY AND ELK RAILWAY TO U.S. LINE—SUGGESTED SURVEY TO DETERMINE LOSS TO ECONOMY IF CONSTRUCTED

Mr. Randolph Harding (Kootenay West): I have a supplementary for the Minister of Industry, Trade and Commerce, Mr. Speaker. In view of the serious threat to Canadian jobs and to the economy in general if the Kootenay and Elk Railway is built to syphon off a large portion of the coal for haulage by United States railways, will the minister have his department conduct an immediate survey to indicate the loss to the economy which would result if such a line were built?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will see what I can do.

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EXTERNAL AFFAIRS

STRATEGIC ARMS LIMITATION—REPORTED AGREEMENT BETWEEN UNITED STATES AND SOVIET UNION—REQUEST FOR STATEMENT

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, my question is on a subject of vital international importance and I would direct it to the Parliamentary Secretary to the Secretary of State for External Affairs.

Some hon. Members: Author, author!

Inquiries of the Ministry

Mr. McBride: In view of news reports today that the U.S.A. and U.S.S.R. have reached agreement on strategic arms limitation after the prolonged SALT talks, will the minister be in a position to report any agreement reached in this House at an early date?

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the report for the moment is just that, a news report. We hope the optimistic tone of the report will be confirmed by events.

* * *

AGRICULTURE

WOOL—SUGGESTED SUBSIDY TO ENCOURAGE PRODUCTION

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is for the Minister of Agriculture and repeats a question I put some time ago that was taken notice of by his parliamentary secretary. In light of current reports from the textile trade and needle industry that because of the increased demand for woollen fabrics the cost of this commodity will increase by 20 per cent this year, will the minister consider revising his policy and provide a wool subsidy to encourage the production of wool in Canada rather than having it imported to meet this increased demand?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, a wool deficiency payment, of course, does not make any contribution to that at all, but we are very concerned about the sheep producers in Canada setting up better marketing structures so they can benefit from a very substantial and satisfactory lamb market.

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TRADE

SUGGESTED RECALL OF TRADE COMMISSIONERS TO DISCUSS LOSS OF EXPORT MARKETS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In view of the serious decline in Canadian exports, in March to Britain, Japan, West Germany, Norway, Italy, Venezuela, Belgium, Luxembourg—

Mr. Speaker: Order, please. I am sure the hon. member knows that this kind of question is irregular. Hon. members cannot ask questions which attempt to convey information to the House. The question should be asked without all these details.

Mr. Crouse: Mr. Speaker, I listed the countries to give an indication of the very basis of my question. In view of this decline in exports, has the minister given any thought to recalling our trade commissioners presently in those countries to Ottawa in order to discuss our sagging exports of newsprint, aluminium, copper and automobiles and hopefully find ways of correcting our lost trading position?

[Mr. McBride.]

Some hon. Members: Hear, hear!

• (1210)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I will send the hon. member a copy of the speech I will make this weekend on the subject of exports. On the subject of recalling trade commissioners, may I remind my hon. friend that this was done a number of weeks ago. We brought them back from Europe and other parts of the world, and we will bring them back from the United States in September. So what he suggests has already been done.

Mr. Stanfield: But will the government produce results?

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PUBLIC SERVICE

CAPE BRETON—REPLACEMENT OF ELIGIBILITY LIST FOR UNILINGUAL POSITIONS BY ONE FOR BILINGUAL POSITIONS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a question for the President of the Treasury Board who seems congenial today and quiet. It deals with an eligibility list that was set up in December, 1971, for forthcoming vacancies in the public service in Cape Breton. Since these eligibility lists are usually good for one year, as we all know, and since I have been informed that this list will be void after June 15, 1972, and positions will be filled from a previous list calling for bilingualism, would the minister be good enough to advise me what reply can be given to the many applicants who have already qualified in the last competition which required only unilingualism on the part of applicants?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I am not familiar with the particular circumstances of this case. I will inquire and provide an answer to the hon. member.

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ENERGY

GENTILLY AND DOUGLAS POINT POWER PLANTS—CLOSURE AS RESULT OF SHORTAGE OF HEAVY WATER—GOVERNMENT ACTION TO INCREASE SUPPLY

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. In view of reports that the Gentilly and Douglas Point atomic energy plants will be closed down because of the shortage of heavy water, will the minister say how long these plants will be closed and what he is doing to acquire more adequate supplies of heavy water?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would confirm that this was announced some weeks ago. The Gentilly, Rolphton and also the Douglas Point plants will be successively closed down for the purpose of bringing into operation the third reactor at Pickering. I might say that it is now coming on stream and operating as well as the other two,

which are operating better than any nuclear reactor in operation anywhere in the world.

The answer with regard to heavy water supply is that Atomic Energy of Canada has been active in the purchase of supplies abroad. We have noted that capacity is going up in the Port Hawkesbury plant. We hope to get the Glace Bay plant into operation as soon as possible. We must recognize that there will be a hiatus for a year or more until we have full domestic production. We hope, however, to get the closed plants back into operation as soon as possible. In part, the close-down—

Mr. Speaker: Order, please. I wonder if the minister would like to revert to motions to complete the statement.

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THE CANADIAN ECONOMY

FOREIGN OWNERSHIP BILL—POSITION OF PROVINCIAL PREMIERS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, may I direct a question to the Minister of National Revenue with respect to the bill he introduced the other day. Has he had any formal statements from the respective premiers throughout the country as to their attitude toward it? If so, will he be making a statement in this regard?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, so far I am only aware of the comments they have made to the press. No formal, written statement has reached me. Perhaps some statements are on the way to the Prime Minister. Certainly we intend to seek the views of the provincial premiers in due course about the policy that we have announced.

Mr. Alexander: I am pleased to note, from the latter part of the minister's answer, that the government will be seeking the attitudes of the premiers in this regard. Can the minister advise us when these meetings will take place? Will he make an announcement in that regard to the House?

Mr. Gray: Mr. Speaker, dates have not yet been set for such meetings. I would be happy to convey this information to the House in some appropriate fashion once these dates have been worked out.

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VETERANS AFFAIRS

SUGGESTED NEED FOR INCREASED PENSIONS—GOVERNMENT ACTION

Hon. J. A. MacLean (Malpeque): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. Does he expect to be in a position this month, or soon, to make a statement with regard to a government decision to increase veterans pensions and allowances in order to restore their purchasing power to former levels?

Mr. Woolliams: Don't you know an election is coming up, Angus?

Hon. Arthur Laing (Minister of Veterans Affairs): Mr. Speaker, we are hearing quite a number of representations from various veterans organizations. Historically, it has been our habit to review these matters and make adjustments every two years. This policy would ordinarily have the effect of an adjustment being made in 1973.

An hon. Member: Is not 1972 a good year?

Mr. Laing: However, there are a number of pressing—

Mr. Stanfield: Considerations?

Mr. Laing: —matters that have been brought forward by a number of groups, and we have told them that we will discuss these with them. We are going to refer this matter to the Standing Committee on Veterans Affairs so they can be heard.

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PUBLIC SERVICE

TRANSLATORS—ALLEGED FAILURE TO PAY RETROACTIVE INCREASES WITHIN 90 DAYS—POSSIBLE CORRECTIVE ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the President of the Treasury Board or to the Minister of Supply and Services. My question arises out of a contract that was signed in December, 1971, between Treasury Board and public servants in the translation group. Since the retroactive pay increases that were arrived at in that agreement were supposed to reach the employees within 90 days, and since many of them have not received these payments, and many of those received have been in error, what steps are to be taken to correct this situation?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, there are a couple of issues involved, I think. One is the policy with relation to payment within 90 days, and the other is the correction of errors. I should like any information the hon. member has about errors because I have not heard anything. In relation to payment within 90 days, may I say that now that we have been pressing for a rather more rapid conclusion of collective bargaining agreements following or, indeed, in some cases preceding termination of contracts, the problem of retroactive pay and consequent adjustments to be made within 90 days will, hopefully, become a lot easier to deal with.

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

Mr. MacLean: On a point of order, Mr. Speaker, perhaps I could ask the government House leader if he will make a statement, either now or before the House rises today, about the business for Monday afternoon, Tuesday and Wednesday of next week.

Mr. MacEachen: Mr. Speaker, I will be in touch with the House leaders on the other side of the House later.

GOVERNMENT ORDERS

ADULT OCCUPATIONAL TRAINING ACT

AMENDMENT RESPECTING ELIGIBILITY REQUIREMENTS TO RECEIVE ALLOWANCES, AUTHORIZATION OF CONTRACTS WITH EMPLOYERS

Hon. Bryce Mackasey (Minister of Manpower and Immigration) moved that Bill C-195, to amend the Adult Occupational Training Act, be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, may I say at the outset that Bill C-195 by no stretch of the imagination can be represented as a major overhaul of the legislation adopted in 1967 upon which the Department of Manpower is founded. Nevertheless, Mr. Speaker, it has become obvious from discussions with the provinces and other interested groups involved with the labour movement, with employers' groups, and so on, that certain sections of the original act are badly in need of amending. Therefore, the perennial problem that faced me as minister, when I assumed responsibility for this portfolio, was deciding whether I should completely revamp the existing legislation or, possibly with the co-operation of the House, bring in one or two amendments affecting certain sections of the act and therefore make the act much more meaningful.

Although I will limit my remarks as much as possible to the bill before us and not talk about the general subject matter of manpower, something I intend to do next week when the opportunity presents itself in the budget debate, may I at this time pay tribute to the former deputy minister, Mr. Couillard who has left the department he has been with since 1967, and who was responsible for building up and making effective the Department of Manpower.

Some hon. Members: Hear, hear!

Mr. Mackasey: Mr. Speaker, it is not too often that public servants are recognized for their contribution to Canadian society. Mr. Couillard was a better than average assistant deputy minister. The new deputy minister is a former commissioner-in-chief of the Unemployment Insurance Commission, thus establishing a link and co-ordination in anticipation of a tighter and closer relationship between the Unemployment Insurance Commission and the Department of Manpower in future years.

• (1220)

What Bill C-195 is intended to do, Mr. Speaker, is remove what has become known in Manpower circles as the three year rule. As members who were present in 1967 and participated in the debate of the day know, the three year rule had a very logical purpose. It was, of course, designed to direct priority attention in programs at the disposal of the Department of Manpower to the older worker and for other logical reasons as well as age. Because of the fact that an older man or woman was limited to one skill that had become redundant, it was felt by incorporating the three year rule that priority in training would be given to a mature worker who may not have had an opportunity to receive an adequate education or proper training as a young man. It has, of course, achieved that objective.

The statistics which will be available at the committee stage will indicate that the priority of programs administered by the Department of Manpower, in co-operation with the provinces or by the provinces in co-operation with the Department of Manpower, whichever way you want to put it, have worked in this direction. A review of the unemployed, of which we are all very conscious, has indicated certain basic characteristics emerging. All too frequently, the unemployed in particular parts of this country are people without training and below average education. Unfortunately, younger people who have dropped out of school and have never had an opportunity of fulfilling that particular criteria have very great difficulty in proving that they have amassed the required three year attachment to the work force.

It is proposed in this amendment to the Adult Occupational Training Act that the three year rule be eliminated. We do not want to exclude, as the act now unintentionally does, younger workers and women who may wish to return to the work force, but who need upgrading, training and assistance, not only through courses, but in the form of financial aid while taking these courses. I know certain members opposite have a particular interest in this subject.

I want to bring to the attention of the House that in recent months, since I have become Minister of Manpower, although I have been limited in my activities, the provinces have been consulted to perhaps a greater degree than ever before. I happen to have a concept of what the Department of Manpower should be doing. I would like to get into this next week, as I mentioned. The provinces have been unanimous in their request that this particular feature of the existing act be dropped because of the unintentional discrimination it causes against the younger worker and women coming into the work force.

I hope for speedy passage of this bill, not only because of the discrimination it is causing at the moment and the frustration which it is causing many young people, but frankly because of the strong representations that have been made to the department by my provincial counterparts across Canada. There will and must be certain criteria as to age. We have suggested in the bill that, after the elimination of the three year concept, to become eligible the trainee must be at least one year older than the school leaving age within the province. That is for very obvious reasons. It is not only for maturity, but we do not want to unintentionally encourage young people from completing the basic education that is available in their particular province. As those who have read the bill know, it is proposed that the trainee must be one year older than the school leaving age in his or her province. He must also have been out of the regular school system for one year

before coming eligible for training. Again, this is for the same reason.

We certainly do not intend to reverse our priorities completely and forget about the older workers. Many still have the problem of the lack of basic education, or having reached the advanced age of 48, 49 or 50 finding that their skill, which in previous years permitted them to work in security until the age of retirement, has suddenly become obsolete or redundant and they find themselves a statistic among the unemployed. I think the change will do much to remove the unintentional discrimination that has been directed toward women in the work force. The three year work rule made it extremely difficult for the department to help upgrade a widow or a woman who, for one reason or another, must return to work to support her children, a chronically ill husband or someone else in her family by providing such simple courses as shorthand, typing, dictation and other work of this nature. It is this type of case of which members are aware, and on which they have made representations at one time or another.

We have suggested in the bill a little more flexibility in the training allowance that will be provided to certain categories of Canadians. We are now trying to bring into manpower training a single individual with absolutely no financial responsibilities, usually a youngster who is living at home and has little or no financial obligation due to the fact he is living at home and has understanding parents. I approve of the suggestion of the department that we provide a little more flexibility, which in some cases will mean less in the way of a training allowance, so that we can provide more in the way of a training allowance to other cases, depending on the particular circumstances of the individual and his or her family.

• (1230)

There are other changes proposed in the bill, changes which are, I believe, in the final analysis, of equal importance. In time they may become more important. I draw the attention of hon. members to the impediment in the existing legislation which makes it impossible to provide on-the-job training as a permanent feature of the act. Hon. members know that during the winter months when we were faced with unusually high unemployment the provinces extended the fullest co-operation after a series of meetings held perhaps too late in the season. Anyway, they were held. Many rules, regulations and acts were bypassed or dispensed with by the provinces; things were permitted, because of the needs of the situation, which otherwise might not have been permitted.

One of the areas concerned was on-the-job training. The original sum of money provided for this program, $20 million, was immediately seized upon by employers. Many people were provided with work training on the job at a pace which is pleasantly surprising. Consequently, the sum of money available was increased to $50 million, all of which has been allocated. This does not necessarily mean that it will all be spent, but it is all intended to be spent. If there is any pick-up it will probably be because some employers are unable to live up to their commitments—they may have been over anxious, thinking in terms of hiring 10 or 12 people when their capacity for training can accommodate only six or seven. In general, though, it can be accepted by the House that all of the $50 million allocated to this program has been absorbed.

It has always been my intention and my belief, even when I was Minister of Labour and fairly close to the same people, that more emphasis must be placed in future on on-the-job training.

Some hon. Members: Hear, hear!

Mr. Mackasey: The question of what would be best for the working force of the country is a subject which has been debated in this House in a fairly non-partisan way on many occasions. It has been very upsetting to all of us, no matter where we sit, to find large blocks of workers being laid off as an almost daily occurrence, and their skills made obsolete because they have been replaced by machines. It is obvious that many of these people, with their basic skills and sense of responsibility, could be trained on the job to man the new machines which so often pose a problem for all concerned in this technological age when what were formerly labour-intensive industries are becoming capital intensive. The act did not permit the department to enter into proper on-the-job training programs; the amendments proposed would make this possible in the future. They will also make it possible for the department to enter into contracts with groups of employers.

I will cite one example of what I have in mind; it has particular application to the Halifax, Saint John, Montreal, Toronto and Hamilton areas. The waterfronts are becoming automated at an increasingly rapid pace with the advent of containerization. The employers in their wisdom, particularly in the three ports of Montreal, Trois Rivières and Quebec, have, with the co-operation of the unions, initiated a program designed to convert the unskilled longshoreman to the type of individual who can master the automated equipment which is now being installed on the waterfront, such as special trucks, overhead cranes and the other complicated gear needed to handle containers. Longshoremen are acquiring new skills and this has been possible through an enlightened approach on the part of management and labour. This bill, if the amendments are agreed to, will permit the department to enter into contracts with groups of employers rather than with a single employer. The characteristic organization of the waterfront is such that employers are grouped together into associations and their employees are common to them in the same way as construction workers are common, in a pool, to the construction industry. The proposed change would go a long way to accelerating training in industry.

The other change, which is a minor one, is intended to simplify financial arrangements with the provinces. As most hon. members know, the Department of Manpower is a delicate department in the sense that it is sometimes difficult to define the borderline between its responsibilities and the jurisdiction of the provinces. It is a tribute to the officials, both at the federal level and in the provinces, that the department has been able to get along for five months with so little friction developing between the governments. It is obvious, though, that there must be more consultation with the provinces and that increased priority must be given in future to the thrust the provinces

themselves are developing and to the purposes the provinces themselves have in mind. After all, Canada is a huge country and, to take one example, mobility within the Atlantic provinces is just as great a proposition as mobility within, say, Denmark or some of the smaller European countries which have adopted sophisticated manpower programs.

In conclusion, I wish to assure the House that I intend to make a much fuller statement on manpower next week when the opportunity is provided to me. I shall deal particularly with the realtionship between manpower, the Unemployment Insurance Commission and labour. As I say, I intend to speak at greater length next week on the new views I have formed as to the way manpower should be going in the next five years in the light of, I hope, an emerging industrial policy for this country.

Mr. Knowles (Winnipeg North Centre): In what debate?

Mr. Mackasey: In the budget debate.

Mr. Knowles (Winnipeg North Centre): Are we going to hear from all of you?

Mr. Mackasey: You are going to hear from this person. I do not take up too much time in the House, and I hope I may have an opportunity during the debate I mentioned. If not, the estimates are not completed and we can go into the estimates a little more intensively than I have. To set a good example, perhaps, I have stuck very closely to the bill before us. I recommend to the House the amendments contained therein. At the same time, I emphasize that this should not be misconstrued as a major overhaul of a piece of legislation which needs a thorough revision in the near future.

Mr. Nystrom: Would the minister reply to a question?

Mr. Deputy Speaker: The Chair has, recognized the hon. member for Gander-Twillingate. If there is unanimous consent and the minister is prepared to receive a question, the hon. member may ask one. Is there such consent?

Mr. Knowles (Winnipeg North Centre): Agreed.

• (1240)

Mr. Nystrom: Mr. Speaker, I have a brief question. There has been some concern about the role of the farmer's wife, housewives on farms. Do they qualify for manpower training allowance under this act?

Mr. Mackasay: Mr. Speaker, I will answer that in my usual direct fashion by saying that when we get to the committee stage the whole question of women in the work force will, I am sure, be thoroughly discussed. Certainly, I know the hon. lady in the hon. member's party will want to ask some basic questions about the definition of one year training and whether or not work done in the home by the farmer's wife, for example, could be defined accordingly by regulation. I shall be prepared to answer this in depth when we get to committee stage.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, first of all, I want to join with the minister in paying tribute to his former deputy. I know from personal experience, having had a couple of years experience in this party working in manpower, that there are a number of officials in his department who deserve special commendation. I trust that as a result of having a new minister the morale of the department will begin to pick up, and that there will not be the continuous flow of restrictive memoranda that characterized the previous minister's involvement in the department.

I always get a little feeling of excitement when talking about anything to do with manpower, or human resource development, or even, if you want to tread on forbidden territory, educating people. The federal government has for the past several decades been very careful not to talk about education, since it falls within provincial jurisdiction. Nevertheless, anything to do with human resource development, manpower or education excites me. I am one of those who firmly feel that there is a positive correlation between human resource development and economic development. There have been thousands of studies, investigations and commissions over decades showing that in countries with a high level of skills and human resource development there is usually a high level of productivity and economic development. Therefore, I feel there is no way that we in this nation can go wrong by spending government funds in the area of resource development, provided this is properly allocated and controlled in order to get greatest benefit.

We welcome the recommendation contained in the bill regarding the three-year labour force requirement being removed. We welcome more flexibility in allocation of training allowances. The only thing that a lot of Canadians are wondering about is this. Why has it taken this government—and it is true of other governments as well—since 1967 to bring in such a very simple amendment that would give greater opportunity to our young people to find their way into training programs? Certainly, that is a question that has bothered me, and it bothers many Canadians that things that are so obvious right from the word go take a period of five years to reach the stage of legislative approval by this parliament.

The brevity of my remarks is in no way related to my feelings on this issue. May I simply say this is a positive move on the part of the government and will result in a fairer opportunity for young Canadians to find their way into manpower training programs.

The in-industry or the on-the-job training program to which the minister alluded, and for which we will now receive legislative approval, has not surprised me by its effectiveness. I am not at all surprised that it has worked out so well this winter. We feel that legislative approval for a continuation of the program will be of some benefit to a great number of Canadians, especially if the program is anticipatory. By that I mean that we do not wait until we get into a slump before taking action. The first to suffer in large industry which hits a slump are the people who are normally on training programs with the company involved. Theirs are the first heads to fall. I think, speaking generally, the government should have a responsibility for anticipating where cutbacks will take place and to find programs that will complement industrial programs. In other words, I am talking about prevention rather than cure. I suggest the government take heed of this in future.

I have one observation to make about the in-industry program concerning what I think will be the most serious response that the minister will receive from the provinces. Even though the minister might say that this is something of a motherhood bill and will receive, I anticipate, the approval of members of the House, it will generate a lot of response from the various provinces and there is one aspect that has to be considered when talking about in-industry training. Something that has bothered our party, and which ought to bother every member of the House, has been the continual emphasis in government programs during the last several years on the designation of special areas, from the regional economic expansion programs to this bill itself. The rural parts of the nation, the more unstructured parts as far as industry is concerned, have been unable to take advantage of government programs.

We had an example of this today in the minister's announcement of the extension of the local initiatives program. The Opportunities for Youth program is another example. These programs have a tendency to discriminate against those people far removed from the centre of industrial activity, those who are isolated in terms of rural communities, those who are—I hesitate to say out of touch, but those who are not as tuned in to government communications systems as others and therefore are not able to find a way of taking advantage of government programs.

One of the most serious gaps that I see in the in-industry training program is the lack of opportunity for those in the unstructured, unsophisticated communities of Canada to take advantage of the program. How can you expect those in the small towns of northern Ontario, where you have a high unemployment rate, to find their way into government on-the-job training programs? The same can be said of those in the Gaspé peninsula or along the north shore of Quebec, small towns where in the wintertime there are pockets of 50 per cent unemployment, or in Nova Scotia, a large part of New Brunswick, Prince Edward Island, the province I represent, the northern parts of the prairie provinces and many areas in inland British Columbia, areas where there is high unemployment. Areas of highest unemployment also have the least sophisticated business communities. Many businesses are very small operations employing half a dozen people. But that is the economic fibre of rural Canada.

Therefore, the minister must take great care to see that the benefits of this program do not flow only to those living in two or three regions of Canada which have very sophisticated and structured business operations. I think of Toronto and Montreal as examples. These areas have the capacity to take full advantage of the program, and so they should. Let them milk every nickel they can from the programs. But other communities in Canada, not just the rural communities comprising a handful of people, many middle sized towns and cities, will be unable to take advantage of the program.

The minister must ensure a fair amount of flexibility in deciding what constitutes on-the-job training. There must be detailed consultation with the provinces so that those provinces without the highly sophisticated business structures are nevertheless able to receive a per capita response under the program. I just draw that to the minister's attention, reluctant as I am to agree to give him the power that he will have if the bill is approved to enter into an agreement with any group or employer. Rather than continue along these lines, I will use the next seven, eight or nine minutes to make three or four suggestions of a more general nature. Perhaps they can be incorporated into government programs of one sort or another.

• (1250)

The minister has already admitted that he regrets it has taken so long for the three year labour force requirement to be eliminated from this legislation. He has also admitted in committee that he agrees there is a limitation in manpower legislation which permits only 52 weeks of training under manpower training programs. I am aware of many examples of people reaching the end of their 52 week period, wanting another two, three or four weeks to complete their training programs, but their training period has been terminated. This has resulted in a panic situation. If my colleague the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) were here, he could give a graphic illustration of two cases of this kind which occurred in the past few years. Thanks to the co-operation of members of the department who are experts in this field, and perhaps I should not refer to the fact that I can see them before me, the problem has been resolved. I do not know whether other members have met with this same success in their areas.

These restrictions are incompatible with any educational foundation or manpower training scheme. There is no way you can expect to bring people into programs, expose them to 52 weeks of training and then bring down the guillotine. We must make sure this restriction is eliminated, and I appeal to the minister to have his officials begin immediately drafting legislation that will amend this stipulation or requirement. I have become aware of cases this year which are pitiful examples of how this regulation wreaks hardship on people. It is much like the previous three year requirement which resulted in people not being able to take basic training programs, even though the result of not doing so was being laid off from previous jobs.

I have not thought out my second recommendation clearly enough to make it specific, but there should be some group or body in the minister's department which has the power to hear appeals. Perhaps the minister will want to think about this, and I pass it along as a suggestion. I do not think specific regulations in respect of manpower training programs should be used as the final determination regarding a person receiving manpower training. In any field of education, manpower training or resource development, there must be a fair measure of flexibility. A Canadian constituent should have the right to challenge the decision of a manpower group or office as far as receiving training is concerned. He should have the right to challenge the decision in respect of allowances.

Today, the minister introduced a measure of flexibility when he said that people who live at home with their parents can, under this bill, receive a small allowance of $20 per week. I think I am right in saying that. Up to now, such a person could not receive an allowance. Such a person should not only receive an allowance but should be

in a position to appeal a decision of the department. In many cases where a young person lives at home, he may need more than a person living away because of the financial circumstances of that family. Somewhere along the line there must be a way of setting up an appeal procedure so that a person can suggest, on the basis of certain facts, that he should receive thus and so in order to assist him to get into a training program.

Another example is the case of an individual who might not be able to get into a training program because he has not got the basic requirements, not having reached a certain educational level. That person may have a tremendous potential as a mechanic, as some kind of operator or in a specific skill. He is a natural, the type of flower born to blush unseen, but may never have had the opportunity to get a basic education. He should have the right to point out to the department that he has this potential. I am sure the minister has seen many of these people who have a tremendous potential or inherent capability which has never been developed through schooling, on-the-job training or anything like that. This type of person should not be restricted through a narrow interpretation of any manpower training program regulation. He should be able to appeal any such decision.

My third point involves the need for the minister to take a very close look at the integration, or lack of it, of the type of training received through manpower programs and the economic need. We have completed a graphic comparison between various training programs and the number of people in them as they correlate with unemployment. The minister understands what I am saying. There is a plus or positive correlation between the number of people in training programs on the one hand, and the level of unemployment on the other. During the winter months when unemployment reaches about 600,000 people, we have about 70,000 to 85,000 people in training programs. Perhaps the number reaches 100,000 at times. During the summer period, when the level of unemployment is substantially reduced, and I am not talking about seasonally adjusted but actual numbers, the number in training programs might drop to 25,000 or 30,000. I suggest there is a tendency for the government to offset the impact on employment statistics by engaging people in training programs. I do not think that is good enough. I have heard the minister say, and he has been quoted in this vein, that he does not believe a person should be put into a training program just to take him off the unemployment list.

I know of many people who have taken training programs year after year when there was no chance in the world that once they had completed the program they would find themselves in an occupation, trade or profession. This is a waste of money and a waste of time for the individual. I have heard people say, and this is a standing joke, that three years ago they took this program, last year they took a different program, they are taking a LIP program this summer and next winter they intend to take some kind of skill training program. This becomes a farce, and the people involved recognize it as such and laugh. They recognize it is a shifting of impact, and that it does not train the human resource muscle to fit our economy. The minister must look more closely at this aspect and set up some kind of procedure to assist relevancy in respect of training programs and the needs of the country.

My final point, and I am glad to be able to make this before we adjourn because I know the hon. member for Cape Breton-The Sydneys (Mr. Muir) wants to elaborate on this, is that there is a significant number of Canadians who cannot take advantage of these programs or provincial educational programs because they have not reached the necessary level of education. They cannot get into universities, trade schools or upgrading schools, and they cannot take advantage of any type of training program because they have not reached a certain level of educational capability. This is usually the result of background circumstances and it bothers me to a great extent.

There are a great number of Canadians, mostly poor, many in rural areas, and particularly in Atlantic regions, who could become part of the labour force with proper training. There has to be some way to help these Canadians better themselves through training programs and I suggest they are not being reached today by our present manpower training programs.

I will conclude with that remark, as I know my colleague will want to elaborate on that point later on this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

• (1410)

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I did not have the pleasure of knowing the former deputy minister of the Department of Manpower and Immigration, but I am familiar with the present deputy minister. He has had quite an introduction into the area of unemployment and manpower training through his close association with the Unemployment Insurance Commission, and thus has the necessary background that will assist him in breaking new ground in this department. Having experience with the type of situation which existed respecting the number of applications made to the Unemployment Insurance Commission will stand him in good stead in the work that he and his minister will be doing in introducing this new program.

Looking at this bill to amend the Adult Occupational Training Act we realize we could spend a lot of time on the various amendments that it proposes, and could go into the background of the problems that have arisen. We have seen some of them personally, and others have been brought to our attention. But this being a Friday, it is really not the day to do that. There is also the fact that some amendments proposed in the bill are ones with which we agree, particularly the one reducing the time period from three years to one year, which was recommended years ago by our party when the original statute was introduced.

Our main area of concern does not lie with how the amendments will be applied, but rather with the question

of whether too much is being left to be done by regulation. All of us appreciate the fact that manpower and unemployment are closely interrelated. I believe the minister himself will agree that there must be a close working relationship between the Unemployment Insurance Commission and those people who apply through the UIC for manpower training. This is necessary if we are to bring about any meaningful improvement to the over-all structure.

The responsibility for co-ordinating these two departments will probably rest with the present minister, who is answerable for the Unemployment Insurance Commission. This will give him an opportunity to consolidate unemployment insurance efforts with manpower upgrading. This was probably the reason behind the switch which was made not too long ago, in which the present Minister of Manpower and Immigration (Mr. Mackasey) retained responsibility for the Unemployment Insurance Commission. I am sure all of us appreciate the fact that when people do go to Unemployment Insurance Commission offices invariably they have to apply for manpower training. Invariably, they have to apply to obtain some information regarding the adult upgrading program. If they can do all this in one fell swoop, the effect can only be beneficial for the country and will result in a better co-ordinated program.

Further, Mr. Speaker, all of us agree that being trained is not the entire answer, particularly if the government is completely insensitive to the provision of job opportunities. The previous speaker mentioned this aspect of the matter. This is really where the government must be involved. It must be involved to the extent that there will be a program development associated with the type of job opportunities that are and should be available in Canada.

When speaking on this question I can refer to the "Eighth Annual Review of the Economic Council of Canada" which states:

> Manpower policy is conceived of in Canada largely as a policy affecting the supply side of the labour market. In Sweden, however, "manpower policy" is far more comprehensive in scope in that it controls many expenditure programs affecting the level and location of employment and thus operates on the demand side of the market too.

Again dealing with the type of policy that is being used and the type of board that has been developed in Sweden, the review points out:

> For example, the Swedish Labour Market Board (which includes government, employer, and union members, and operates autonomously as a statutory body) plays a prominent role in industrial location policy and administers an investment fund on the basis of contracyclical government policy.

If we are sincere in our talk about adult occupational training, we should determine that we must give some authority to the Department of Manpower and Immigration with respect to making the decisions as to where industries should locate in Canada. Does it make sense to have a department spend millions and millions of dollars trying to upgrade and retrain people if, after their retraining, those people have to be sent from one end of the country to another to fill job opportunities there? I suggest the government has a responsibility to involve this department in industry location decisions, because really manpower is the basis of the success of any country.

No doubt all of us have heard complaints about people who have taken manpower upgrading courses simply to have something to do. It is difficult for any manpower officer to question the intent of an individual who applies for an upgrading course, but it is true that people who have applied for such courses have told less than the truth to the manpower officer concerned. At the same time, there are many thousands of other people without employment who could benefit from such upgrading courses. This is one area on which we must express our concern.

A few moments ago, I mentioned the situation that pertains in Sweden, and now I turn to clause 6 of the bill with which one of my colleagues will be dealing at greater length. It specifically excludes people who are represented by recognized trade organizations and trade unions. Surely, it is a two way street. If workers are going to be employed by groups of employers, then the same principle should apply. Reference to this is found on page 3, after the third section. Possibly the minister will look at this very closely to see why the organizations themselves do not become involved in the type of discussion referred to on that page.

• (1420)

The Economic Council of Canada review contains the statement that manpower policy is largely a policy affecting the supply side of labour, and refers to the fact that we must spend some time in determining what we hope to achieve. Training on the job is an added benefit that the minister has included in the bill. I am sure it is something that he, his department and his deputy minister have studied. They will realize that we have poured millions of dollars into it, and more people should have benefited.

At page 104, dealing with manpower policy, there is this statement in the Economic Council of Canada's eighth annual review:

> In striking contrast to several other countries, less than 5 per cent of total Canadian federal adult occupational training expenditures (excluding apprenticeship) is directed to training-in-industry. In the United States, about 80 per cent of federal training expenditures go to programs involving training and "work experience" in industry. In Britain, moreover, the Industrial Training Act of 1964 provides for a redistribution of funds among firms within a number of industries for training to be undertaken by industry itself.
>
> The heavy—in fact, almost exclusive—emphasis on institutional training in Canada is difficult to understand when experts generally agree that, for many occupations and for many individuals, training-in-industry appears to be preferable.

The charts on the following page of the report show that of the total amount spent on training in Canada, only 3.9 per cent was for training in industry, while in the United States 76.8 per cent was spent in this area. The same thing applies to other countries like Sweden which spend a considerable amount of their resources on training-in-industry rather than the type of training we have provided. The occupational upgrading that is provided is invariably in a classroom setting, and once the individual leaves there everything he touches is foreign to him to the extent that many times he is not of much use to an employer. This is an area about which all of us are concerned as, no doubt, is the minister. I am sure he will be looking at the situation and, hopefully, will be trying to divert more

money to training on the job or in industry as the case may be.

For comparison purposes, Mr. Speaker, and referring to the cost of relocating people who have been trained or those who are making application for job opportunities, I would point out that in 1965-66 the national employment service placed 960,995 people in jobs at a cost of $22.95 per placement. In 1970-71, Manpower placed only 722,832 people in jobs at a cost of $232.70 per placement. This did not include the money spent on manpower training. This is exactly what I am getting at, Mr. Speaker. I am pleased that the minister has included on-the-job training in the legislation, but the contrast between what was spent in 1965-66 and what is spent now per job placement illustrates the increase in spending in an effort to cope with the problem. I heartily agree with the minister when he says that he is pleased to see this point covered in his bill, and it is one area that we in this party support since it will bring about a saving to the Canadian taxpayer.

What one is questioning really is whether the best value is being received for the tax dollar or whether we are just keeping people off the labour force survey by putting them into some kind of occupation training or upgrading course. I am sure many members realize that this has happened because some people are not interested in training to upgrade themselves but just want to have something to do at a certain time of the year.

The previous speaker mentioned the 52 week maximum period. I am sure all of us know cases where trainees have not completed their courses because the final term of the course could not be completed within the 52 week period. I was pleased to learn that the former minister, as stated in a letter to me dated January 20, 1972, was willing to vary this requirement. The last paragraph of that letter reads:

> I have advised officials of the manpower division that I am prepared to authorize extensions of training for individuals who have been ill during their training period or who have been unable to achieve normal progress in their training program. These extensions would only be authorized following consultation between the Canada Manpower Centre and the training authorities.

There are some, however, Mr. Speaker, who are still unable to complete the course and there is no use denying that the amount of money spent on them has gone forever, as are the benefits they could have provided to society. In this area, I believe the minister could give more discretionary power to the local manpower officials. They are on the spot and know whether a particular applicant really wishes to pass the course or is just trying to pass the time. This aspect has bothered many people across the country, including some who have tried to complete their training within the 52 week period which is provided in the present act and which remains in the act.

I have a few comments on the amendments before us, Mr. Speaker, and no doubt we will get into some of these matters in depth when the amendments reach committee. Section 4(1) of the present act provides:

> Where an adult who has not attended school on a regular basis for at least 12 months informs a manpower officer—

Section 4(1) of Bill C-195 reads:

> Where an adult who, at any time since attaining the regular leaving age in the province in which he resides has not attended school on a regular basis for any period of at least 12 months informs a manpower officer—

It seems strange indeed that the stipulation "any period" should be included with that 12 month period. That makes me wonder if we are not trying to hit something with a baseball bat that does not exist, at least as far as abuses are concerned. Perhaps we can go into this in committee.

• (1430)

May I congratulate the minister and the department for making changes in another area about which we were concerned. The waiting period has now been redefined and is to be one year instead of three years. We are glad, because we were concerned about the matter. The hon. member for Yorkton-Melville (Mr. Nystrom) asked the minister earlier if wives of farmers are to be included in those eligible for training, and the minister replied that this will be considered in committee. What bothers me consistently about programs such as the one we are considering is this: much depends on the regulations and, invariably, when considering certain legislation or amendments, as we are now doing, we are asked to pass that legislation without knowing exactly what the regulations are to be. Actually, we do not know very much about the regulations until we see them. Therefore, we are being asked to pass legislation, the effect of which we do not really know. The minister and the Department of Manpower and Immigration are obligated to explain fully just who will be included and who will be excluded from the provisions of this bill. That can be done in committee.

We remember what happened in connection with unemployment insurance. We raised questions concerning severance pay and holiday pay, and are still waiting for answers. We are considering a most important amendment, and do not know exactly what the regulations will provide. Because we do not know what the regulations will provide, we could be subjected to a barrage of questions and criticism for passing a bill in good faith after debate in this House. I suggest, therefore, that we will need to examine closely the amendments which will be introduced in committee.

The minister should realize, I think, that on-the-job and in-plant training could be more valuable for certain employees than vocational training made available in institutions. In this regard the employers of this country have an obligation to fulfil, just as have the employees who take part in training programs. We must also make sure that people are placed in jobs for which they have been trained, so that they may use the practical knowledge they have acquired. Everyone knows that industry in this country is becoming highly automated and that technological changes are being introduced. We must make certain that changes in training programs will be in keeping with changes in industry. New skills cannot always, in my opinion, be taught at vocational training schools. Some can be better acquired through on-the-job training. Employees right in the plant can find out what methods are used. By so doing they can continue to serve the employer with whom they have trained and, if they meet the necessary requirements, serve him better.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I am happy to congratulate the minister who is sponsoring Bill C-195, to amend the Adult Occupational Act, now before us.

The continuance and improvement of this program is a laudable initiative, and I rejoice at the thought that from now on the three-year period which in the past was required before people could become eligible for an occupational training course will be reduced to one year.

I imagine that of all hon. members who have no income other than their parliamentary allowance, not one could afford to wait for three years before getting paid.

However, this is more or less what we used to ask of young people under the previous act. We used to ask them to wait for three years before they could qualify and become eligible to receive a few cents, just enough to survive until they got a job.

Although our general education system has been improved, it is obvious that all young people still cannot aim for a profession. The chance to study big books and to attend places of higher learning regularly is not given to everybody, and this bill is designed to assist all other people who still have skills.

In this life, we need good lawyers, good doctors, good accountants, but we also need butchers, bakers, carpenters, and electricians. In other words, we need a very large team which, though it may not seem so, is very important—a team of people who accomplish tasks which are indispensable to the smooth running of our society.

Although this bill appears on the whole to be very effective, it should not lead us to believe that every problem will be immediately solved. We are getting ready, we are making plans and we want to help young people and persons of all ages to retrain and be prepared to perform new tasks, but after reviewing the events that took place in our country these last few years, I am asking the following question: Will the minister's appropriations be as great as his intended generosity?

My question relates to the fact that I know some people in my riding who have actually qualified for training courses, who have attended them for a certain period of time and, suddenly, have been forced to wait another year before resuming the second part of these two-year courses. When these people complained to the Manpower Centre or to the Quebec office, they were repeatedly told for a week that this delay was due to lack of facilities and space. The following week, these same persons called up other officials of the manpower centre and, this time, they were given another explanation to the effect that the interruption of the courses was primarily due to lack of funds, the budget having been exceeded. I think that this explanation has worn thin, Mr. Speaker.

Other ministers have proposed other programs; municipalities and citizens groups have also submitted projects to the government and it often happens that they are rejected due to lack of money.

The Opportunities for Youth program has come back this year amidst an unprecedented publicity campaign and we know that of the 19,000 projects that are submitted, the minister will only retain 3,000 and reject the remaining 16,000 because of lack of funds.

Today, the minister is brimming with good intentions; he has come to us with a clear and definite bill. But how will it be implemented? With regard to the Opportunities for Youth program, one project out of six only was approved, on the average. Therefore, can the minister assure the House that everyone that qualifies under the act will be accepted? Will the minister have to deal with the same problems as his colleagues who introduced the Local Initiative Program and the Opportunities for Youth program? Is the bill before us, Mr. Speaker, going to be accepted throughout the country, for all provinces and all regions of this country? Or will this legislation only apply to some special, designated, Liberal, Social Credit, or Conservative areas? One may ask all those questions, Mr. Speaker, as a result of the way legislation is accepted in this country at the present time, and applied in several fields. Unhappily, such situation occurs on too many occasions. Now, there is a provision of this bill which really makes me laugh, that is section 6, page 2, which reads as follows:

• (1440)

(1) The Minister may enter into a contract with

(a) any employer operating or undertaking to operate an occupational training course for the training of adults employed by the employer, or

(b) a group or association of such employers,

to provide for the payment by the Minister to that employer, group or association, as the case may be, of the costs incurred, as specified in the contract, by the employer, group or association in providing such training.

(2) The Minister may enter into a contract with

(a) any employer who has arranged for the training of adults employed by him in an occupational training course that is not operated by the employer, or

(b) any group or association of such employers,

to provide for the payment to that employer, group or association, as the case may be, of the costs incurred, as specified in the contract, by the employer, group or association in providing such training.

Despite the clear wording of the legislation, I wonder whether employers will take this provision seriously, after the bad experience they underwent last winter. And I will take the liberty, at this stage, to quote a letter which I received on March 24, 1972:

I quote:

Mr. Roland Godin,
M. P. for Portneuf,
Parliament Building, Ottawa.

Dear Sir:

Following the outcome of my request for training and employment to the manpower centre, I submit my opinion to you uncritically, as you will certainly and very shortly be able to convey it to the people, departments, members of Parliament or officials who will be able to act on it.

I submitted a request for training pursuant to the requirements of the manpower centre, which consisted in a program based on twelve months of training and liable to result in about 55 per cent of the performance necessary for the candidate to continue his job. Without giving up the basic purpose of my proposal, I accepted, having no other alternative, the eight weeks that I was offered, in view of my employee requirements to be able to expand my business.

I infer from this that the federal government or the manpower centre is really working to create jobs, but if I consider the outcome of my proposal, I wonder whether securing continuing

jobs while creating jobs through training programs would not be a better solution to the present unemployment problem.

How can 16 per cent of 55 per cent of required training secure a future for the candidate selected? What positive contribution can 16 per cent of a minimum of training make to the expansion of my business?

This case relates to a man who repairs and sells television sets. In fact, this businessman simply wanted to train electronics technicians. He feels it is really ridiculous that the manpower centre should dare believe that people will get appropriate training within eight weeks in such an important field as electronics.

I now continue my quotation:

Until I get proof to the contrary, I must conclude to a lack of seriousness in such decisions because 16 per cent is far from enough to meet the very objective of this training program set up by the government.

I have working for me a number of candidates to the manpower training program who deserve better job security and whose open minds, initiative and general ability should be encouraged. As for me, please believe that I will do my utmost to keep those employees.

By this letter surely you will admit the seriousness and agressiveness of my business since the start and no less can be expected from those involved.

In another area, I would point out that other industrialists in my riding where approached last fall, that is to say in early January, when the government implemented a similar program. Officials of the Quebec manpower centre visited Loretteville and Saint-Emile where you can still find a fair group of glove and shoe manufacturers.

At that time they were proposed a program similar to that presented today. Long questionnaires were completed with the help of experts from the Manpower Centre.

Mr. Speaker, the proposed program was to last 26 weeks and all projects were to be submitted before March 31. However, for those who had made applications in January, answers were sent out in the afternoon of March 29 only, which was Holy Thursday. Those manufacturers who had jobs to offer were told that their programs had been accepted, even though the legislation stipulated that first they had to apply to manpower centres to get workers. Therefore, in waiting until Holy Thursday to inform the workers of the Loretteville and St. Emile area, the government was getting rid of them easily since the Quebec City manpower centre was closed on both Good Friday and the next day. These people had to wait until the next Monday to give an answer. So, in many cases, those manufacturers who were in a position to take in 30, 40, 50 or 60 workers finally hired only 5 or 10. Finally, the whole project went down the drain, especially when one considers that one manufacturer could have hired 50 people instead of the 5 that he actually did hire.

Mr. Speaker, this is an unfortunate situation, even if this bill is good. But to return once again to our manufacturers. When working for the federal government, especially in the Income Tax Division, even the most intelligent man in the world may behave stupidly simply because he walks around with a copy of the act in his pocket. Should he fail this year, he can always turn to the past four years to pick the pockets of Canadians and run away with what he can find. But for the businessman, the shoe and glove manufacturer at that, it is a completely different story. He must hire travelling salesmen who must look after the orders. They have to buy leather for their industry and all kinds of materials essential to them and that must be done months in advance.

Whenever Manpower Centre employees discuss with manufacturers, they realize that they are not dealing with tax officials, that they are not dealing with people looking backward. The manufacturer is a man who has to look forward and take care of his business. If he did not, he would soon have to close shop. Those who are still in business are those who looked after their undertaking and I should like the government to give them full co-operation. Those people have done their utmost to make our country what it is today.

In concluding, Mr. Speaker, I should like the minister to give us the assurance that his budget will be important enough to come up to everything he is offering at the present time and I am wondering whether it would not be beneficial for the Canadian people to have a revision made in manpower centres in order to know what agents will assist manufacturers in cases such as this one.

And whenever a person is refused admission to a certain course, I should like manpower centre officials to be in agreement with one another so as to give the same answer every day. If the answer differs, it is too bad for people lose confidence in such programs.

It is for that reason that many citizens show dissatisfaction and I believe they are right, because we lied to them too often. Moreover, it is about time we helped them in every possible way and especially made financial means available to them.

So I hope that the minister will not miss the opportunity to explain such needs to all his colleagues, particularly the Minister of Finance (Mr. Turner) who after all is the last one to sign his name.

[*English*]

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I wish to spend a few minutes discussing a particular aspect of the amending bill which the minister has placed before us. I refer particularly to the subject matter of Sections 5 and 6 of the act to which the minister's bill proposes certain modifications.

I think it is clear that with regard to the authority which is conferred upon the minister, the act may be divided into two parts. First, there is authority to enter into agreements with the public authority, the province, to spend public funds of the government of Canada; second, to enter into agreements with private authorities such as industrial corporations. From my understanding with regard to entering into agreements with the public authority for the expenditure of money for manpower training, the individual taking the training either has to be referred to and approved by a manpower officer or has been approved in effect through the legislation of the respective provinces under their various training programs. This makes it clear there is a direct dealing, either by the federal or provincial authority, with the individual involved in a training program. It is my understanding that this relationship between the individual and the manpower office of the federal government or a parallel office under an apprenticeship training program of a province is

one which must exist. However, clause 6, which gives the minister authority to enter into an agreement with an employer or a group of employers, makes no reference at all to the individual concerned—to whether he ought, or ought not, to be undertaking a training program. This is an essential difference and one which should be borne in mind in terms of two aspects of the bill as they are set forth in clauses 4 and 5 together and in clause 6.

• (1450)

I am not quarrelling with the principle that the minister should have authority to enter into agreements with employers or employer groups. I understand there are two aspects of the program. There are occupational training courses which are operated by an employer within his own premises and, second, there are situations in which an employer can arrange to send an employee to an institution for training and be reimbursed for costs so incurred. It seems to me there is an essential element missing from the minister's proposals, and that its absence warrants some changes being made in the bill when it reaches the committee stage. I suggest that, to the extent that the new arrangements for entering into contracts with private employers fails to provide for direct contact with individual trainees, an important safeguard is missing, even if one considers the matter from the point of view of protecting the public purse alone. In addition to being satisfied that the employer concerned has consulted the government of the province in which the trainee is located before a contract can be entered into, there should, in my view, also be a provision that the minister must be satisfied that the employer has entered into consultation with the certified bargaining agent of the employee before he can enter into a contract. In my opinion, the minister should consider adding to the new clause 6(3), after the part which states that the minister must be satisfied that the employer has consulted with the government of the province, something along these lines: "and with any certified bargaining agent or agents of the employees of the employer, or the group or association, as the case may be."

I am not putting this idea forward out of a vacuum, as it were. I am advancing it partly because the proposed new clause 6 would remove the prohibition against entering into contracts in which the minister agrees to pay an employer the cost of on-the-job training in skills only useful to that employer. The minister will recall that there is a provision in the present section 6 of the act which gives general authority to enter into an agreement, subject to a subsection which states:

> The minister shall not enter into a contract with an employer described in subsection (1) with respect to training of adults employed by that employer, that is, training on the job, or in skills useful only to that employer unless he is satisfied that such training is necessary because of technological or economic changes affecting that employer which would otherwise result in loss of employment by the adult being trained in the course.

This is not an inconsequential matter if one thinks in terms of safeguarding tax money provided by the citizens of Canada for training programs which directly involve individual private employers and which is connected presumably with their attempt to improve the efficiency of their operations. The safeguard is also important as a means of discouraging employers from simply using the mechanism provided by this act in order to enhance their own private positions as a result of the expenditure of public funds. Perhaps no more effective safeguard could be provided than to require that the minister must be satisfied in all cases where a trade union is certified that the union has been consulted.

The proposal in this legislation, if I understand it correctly, is designed to make possible a more permanent application of some of the features of the on-the-job training program. This has given rise to some concern in the ranks of certain trade unions, because these arrangements have been used in such a way as to interfere with terms which have been negotiated as part of union agreements.

• (1500)

In some cases in Canada—this is a matter that can be gone into in depth in committee more effectively than one can discuss it in a speech on the floor of the House—very detailed contracts, agreements or memoranda of agreement have been worked out plant by plant with some employers which provide for on-the-job training of employees as a matter of course. As part of the collective agreement it has been deemed to be to the mutual advantage of employer and employee that the employer, without any assistance from the public purse, has a continuing program of training for his employees for upgrading their skills, so the employer always has available a work force which is expert in the skills which it performs in the plant.

In some cases these agreements in their genesis go back over a number of years. As a result of experience during the course of time, they have been upgraded and improved. To my knowledge, during the past winter, through the on-the-job training program and without any knowledge whatever coming either from the employer or the officials in the minister's department, the employers in effect, started to interfere with what was and has been accepted as being normal practice in the plant under memoranda of agreement between trade union and employer.

I suggest to the minister that, quite apart from anything in the legislation, as a matter of administrative practice—I am sure that under the act which set up his department the minister has this authority—it should be routine for the management of a local manpower office to advise and consult with established trade unions who are certified as the bargaining agents for employees in the particular plants or activities carried on by employers in their area of operation.

Apart from any legislative requirement for consultation by the employer, manpower offices should be a source of information. There should be a two-way flow of information between manower offices and local offices of trade unions lying within their area of operation. This has not always been universal practice across the country and has led to unnecessary misunderstanding and confusion about what has been actually going on in regard to the work force of the area concerned. I suggest that this question could best be dealt with in detail in committee, but I put the matter forward now in the hope that the minister and his advisers will give the situation very serious consideration and that opportunity will be given

during the course of the committee proceedings to call experienced administrators in the trade union field to deal with the matter.

Even as a result of certain arrangements worked out in the past whereby employees have gone to training schools outside the employer's premises, in the opinion of some of those who are most familiar with the details of operation in the industry some of the courses offered have been less than useful vis-à-vis the amount of federal funds expended upon them. In the view of some of these people whom I know, the employer in effect has unnecessarily leaned on the public purse in order to provide a poorer kind of training than that which has been traditionally provided on the job without any supplement from the public purse be it federal or provincial.

This is another aspect of the matter which I think should be considered and is another reason provision for consultation should be made between the agents of the people involved and the employer before the minister is given the authority, as proposed in the bill, to enter into contracts.

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I wish to raise only one point regarding this bill but it is a very important point. It is not clear to me whether the bill or the regulations to be made thereunder cover the point. I fully approve of all the evident measures put forward in the bill and congratulate the minister for them. I am particularly pleased at the provision removing the requirement of three years in the work force and that regarding the eligibility of women who work in the home as housewives.

My point concerns those individuals who live in bilingual areas in Canada, such as Montreal, Ottawa, Moncton, Sudbury, Cornwall and so on, and who cannot find work due to the fact that they cannot speak the other official language. As a representative from Montreal I have found in the past few years that many well trained Canadians have been laid off from work for one cause or another and are unable to find other work because they do not speak the other language. For example, I have met many English-speaking stenographers and secretaries who are most competent and are looking for work, but when they go to the personnel office or employment agency they are asked whether they can also speak French. Very often, although these people have had some training in the second language it is insufficient to permit them to work in that language and this is the principal reason they cannot obtain employment.

I have been arguing for several years now that our manpower retraining program and retraining allowances should apply to people such as this, whether it be a French-speaking person in Ottawa who cannot find work because he does not have sufficient knowledge of English, or an English-speaking person in Montreal who cannot find work because he does not speak French. I maintain that our manpower retraining program should give these people courses in the other language so they can become qualified for work, just as other people need training in the art of carpentry, electronics and other trades.

As the House knows, courses are given under the manpower retraining program for completion of high school and many people take grades 9, 10 and 11. If we agree it is necessary to be educated to grades 9, 10 and 11 in order to find work, we should agree to train people in the second language if that is necessary for them to find work. In areas such as Montreal and other bilingual districts, such is not now the case.

• (1510)

I am pleased to back the government's program which has been to promote bilingualism in those areas of Canada where it is necessary. At the same time, I believe that when people are affected by these requirements in their work we should help them, under the manpower retraining program, to acquire proficiency in the other language with which they are not familiar.

One of the anomalies of our programs is that under the immigration program we help people to acquire a working knowledge of the French and English languages. A person who comes to Canada as an immigrant can take a French or English course through the Manpower and Immigration Department and is paid a training allowance while taking the course. People coming from countries such as England, Ireland or the United States, being English-speaking can under the Department of Manpower and Immigration program take training courses in the French language while receiving a living allowance. But an English-speaking person born in Montreal, a Canadian citizen, cannot go to the Department of Manpower and Immigration and take the same course.

I have argued that if the government is going to provide courses to immigrants so they can learn the official languages of this country for purposes of employment, we should do the same thing for our native born Canadian citizens. Perhaps the minister in replying can cover this point. I should hope that as a result of these amendments or the regulations to be passed in relation thereto, language retraining programs will be included as a course one can obtain under the adult occupational training program. If this were allowed I think we would solve many of our employment problems in areas where bilingual capability is needed.

This is the only point I wish to raise in respect of the bill, and to me it is extremely important. My constituency is in Montreal. Seventy-five per cent of the population is English-speaking, yet they live in a city where 80 per cent of the population is French-speaking. The 75 per cent English-speaking figure includes immigrants from many parts of the world. We have many British people, Italians, Greeks, Germans, and so on. Once they become citizens and require employment, they must have the capability of working in both languages.

One of the objections raised by the government is that evening language courses are given by the school commission of Montreal and the people to whom I have referred can take them. The courses under the school commission are not as good as those provided by the Department of Manpower and Immigration. They are not nearly as intensive, and they are conducted in the evening. There is no retraining or training allowance attached to them. I argue that if the government carries out retraining programs and pays training allowances in order that people can finish high school, learn a trade and so on, the govern-

ment should do the same in respect of language training when such training is directly related to ability to work in the cities where these people live. I hope I have made my point, Mr. Speaker.

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I am glad to have the opportunity to say a few words on this bill introduced by the minister. In his opening remarks the minister said, and I think I quote him accurately, that by no stretch of the imagination could this bill be regarded as a major overhaul of the legislation. I agree with him in that regard. He also said there had been consultations with the provinces regarding the bill. I wonder whether during these consultations the minister considered the fact that when the time period is reduced from three years to one year there will be a tremendous need for additional space.

The time period should always have been one year and should never have been changed by this government. When the time stipulation was increased to three years in the labour force, senior members of the Salvation Army and other groups condemned this action by the government. In my own area the participation rate in trades training schools is very high and I doubt that more people can be handled under the program. I hope this situation will be improved by the construction of a new school.

I am pleased to see the minister in his position as Minister of Manpower. I know he will be a pleasant change from his stone-faced and stone-hearted predecessor who never came down from his ivory tower, never knew how to smile and, I assume, never knew what it was to be unemployed. He had no compassion whatsoever for the unemployed or those who required assistance. This is typical of many members on the government benches; they do not seem to realize these problems. I cannot say that about the present minister, who has always been most co-operative and willing to work with all members of the House. I speak from experience. I have found him to be that way and I look forward to his bringing in further changes in the future. I think I have said enough nice things about the minister for the moment and now it is time to criticize him a little.

Like the hon. member for Bonavista-Twillingate—I should say the hon. member for Gander-Twillingate (Mr. Lundrigan) because the former hon. member for Bonavista-Twillingate now occupies a well-padded position which I hope he continues to occupy. As I was about to say, like the hon. member for Gander-Twillingate I commend the previous deputy minister for doing such a good job. I congratulate the new deputy minister and hope he will weigh his statements and not make them off the top of his head. I have in mind, particularly, statements in reference to problems of unemployment insurance and benefits.

I realize this subject is not related to the bill before us, but I hope the new deputy minister will not continue to blame all the difficulties on the applicants rather than the drafters of certain measures. I hope he will not speak as wildly in future as he has in the past, without knowing the facts. Those of us who have been members for some time are aware that 10 or 12 people would call each day complaining about not receiving unemployment insurance benefits. The fact was that they had not received benefits for weeks and sometimes months.

Bill C-195 is a pathetic attempt to improve the operations of the Manpower training program. It does right a few wrongs and accomplishes a few housekeeping chores, but it leaves the bulk of the program as ineffective as it is now. As I understand it, there are five basic changes proposed in Bill C-195. First, the bill proposes to remove the current restrictions which require people to serve three years in the labour force or to be supporting dependants in order to receive an allowance. In future, people who have been out of school a total of 12 months, not necessarily uninterrupted, will be eligible to receive an allowance. Second, the bill provides that provincial training costs to be paid by the federal government will be specified in advance through a contract. Currently, the federal government merely picks up the tab in arrears.

• (1520)

Third, the bill would allow the federal government to enter into a contract for a training course with a group or association of employers rather than merely one employer. Fourth, the bill proposes to do away with the restrictions against on-the-job training, as the Economic Council of Canada, the Progressive Conservative party and many other critics have long been advocating. Finally, the bill would allow the payment of less than the specified amounts for allowances to persons without dependants.

Really, the only two important changes are those concerning the removal of restrictions on allowances and on in-industry training programs. These changes are long overdue. For the rest, the bill is a great disappointment. These changes are not sufficient to improve the program substantially. Low income, poorly educated Canadians, particularly in rural areas and in the outlying districts of Canada, will be no better off when this bill is passed than they are now. Many reputable groups have complained that the manpower training program has important limitations which restrict the role of the program in reducing poverty. The report of the Special Senate Committee on poverty emphasized the inadequacy of the program's effect on poverty. I quote from that report at page 150:

> The federal manpower programs, like other national economic development programs, have ... only limited relevance to the poverty question. They are not and cannot be evaluated in terms of the direct contribution they make to poverty reduction or elimination.

Similarly, the report of the federal task force on agriculture in 1969 complained as follows:

> The role (of manpower training programs) in reducing the numbers of farm poor ... appears limited. The best hope is that manpower programs will provide good non-farm alternatives to younger operators, to the sons of marginal farmers and to other rural youth who are ill equipped to become modern farmers. ... But it is unrealistic to look for any great impact in the ranks of the middle-aged who make up a high percentage of the farm poverty sector today.
>
> Even to reach younger operators poses problems. For example most training courses require at least grade 10 standing.

In contrast to these realistic appraisals of the impact of the manpower training program on poverty, we have the self-congratulatory pose adopted by the former minister of manpower—I emphasize that this is the former minister and not the present minister—who said in his report on the 1970 operations of the Canada Manpower training program that it—

—is one of the major federal programs directed toward the alleviation of poverty by helping the poor develop their skills and thus improve their income and employment prospects. Its impact is directly centred on the poor.

However, in typical Liberal fashion the minister fails to quote figures to support his flowing rhetoric, for this same report does not in any way demonstrate how the program is achieving such a laudable aim. Although the then minister pointed out that 60 per cent of all trainees and 94 per cent of female family-head trainees in 1970 were living at or below the poverty line when put on a course, there is no reference to the proportion removed from poverty as a result of the training they received from the course.

There are some serious hindrances in the Adult Occupational Training Act which cripple any anti-poverty initiative the manpower training program might otherwise have. First of all, the underlying principles of the manpower training programs are not oriented toward disadvantaged groups. The Canadian government's strategy in the field of manpower policy is primarily a growth strategy—this was stated by the Economic Council of Canada in its eighth annual review—with the objectives of equity and stabilization clearly being secondary. This strong emphasis on growth and efficiency provides a sharp contrast with the manpower strategy of other countries, notably the United States.

In the United States, training programs are much more heavily oriented to serving disadvantaged groups. Most programs which draw on federal funds in the United States require that all or a large majority of trainees come from the disadvantaged population, meaning that they are poor and have one or more serious handicaps in finding and keeping satisfactory jobs.

Another criticism concerning the principles underlying the operations of the manpower training program has been voiced by the Special Senate Committee on Poverty. Their report charges that the federal manpower program is oriented toward providing a service to employers and not toward meeting the needs of the individual worker. Such orientation conflicts to some extent with the purposes of the Adult Occupational Training Act, as stated on March 3, 1967, by the then minister of manpower and immigration who said, as recorded at page 13738 of *Hansard* of March 3, 1967:

We want to provide a second chance to the people who need it most. These are the men and women who missed the chance to acquire a skill during their youth or whose skill has been made obsolete by technological change.

The Special Senate Committee on Poverty charges that "what was intended as a 'people-oriented' program has become an 'economy-oriented' program". In addition to this problem arising from the principles of the manpower training program there is a second problem that hinders the effectiveness of the program in fighting poverty. This problem is that the regulations governing the application of the act provide that a potential applicant for a place in an occupational training program must have "a specific vocational goal".

This regulation is particularly discriminatory when applied to poor people in Canada. Persons without a basic education are not usually aware of the variety of occupational opportunities available to those with job skills. Why

was this stipulation not removed from the Adult Occupational Training Act through Bill C-195, if the Minister of Manpower is truly interested in helping the disadvantaged, and I think he is?

There is a third way in which the Adult Occupational Training Act is at fault. The act provides that no occupational training course may exceed 52 weeks duration of full-time introduction. The result of this provision is that no person requiring more than one year's academic upgrading is eligible for occupational training under the act. Because almost all vocational skill programs in Canada today require a grade 10 education as a prerequisite—here I refer to trades such as welding, carpentry, the electrical trades and plumbing—and because most academic upgrading courses can raise a student's functioning equivalent grade level by about three grades in 52 weeks, very few persons with an educational attainment below grade 7 can gain entry into "basic training for skills development" occupational training courses. Some of these persons do gain entrance to manpower programs but usually this happens in error or because there is a sympathetic manpower counsellor. In fact, in the 1968-69 training courses only 13.2 per cent of all the trainees had had six years or less schooling when they entered the course.

This 52-week limitation on programs is all the more important when we consider the direct correlation between a low level of schooling and a high degree of unemployment. In May, 1971, persons with less than a grade 8 education had an unemployment rate of 7.4 per cent compared to only 5.1 per cent for persons with a post-secondary education.

• (1530)

In the Atlantic region, persons with less than a grade 8 education had a 10.4 per cent unemployment rate in May, 1971, while those with a post-secondary education had a rate of only 6.2 per cent. Consider Cape Breton Island, where the educational level of a portion of the population is comparatively low and the unemployment rate comparatively high; in fact, figures of 20 per cent to 25 per cent have been given by non-partisan groups.

Only within recent days have we received a report from an association called the Cape Breton Alliance for Development which is comprised of the clergy, labour, unions, boards of trade and people in other fields with no political affiliation. This group conducted a survey on the island as a result of a grant under the Local Initiatives Program and came up with the figure of 29.31 per cent unemployment on Cape Breton Island. This is a tragedy, Mr. Speaker. There are those within the government who may say that these people do not know what they are talking about, but I think they did their job very sincerely. They suggested measures for reducing unemployment.

I placed a motion before the House under Standing Order 43 in order to discuss this matter, but it was not accepted by the government. I was sorry that the government House leader, who also represents in this House a portion of Cape Breton, did not rise to assist me in getting his colleagues to allow the motion to come before the House so that the contents of the report could be sent to the committee for consideration.

The removal from the Adult Occupational Training Act of the 52-week limitation on training is an essential step toward helping the low income, poorly educated unemployed toward meaningful training and employment. The Progressive Conservative party has pledged that it will abolish this time limit on these programs. In addition to these three faults there is a fourth problem with the manpower training program that has become more crucial since the new Income Tax Act made training allowances taxable. This problem concerns unemployment insurance as it relates to the manpower training program.

Currently, a person employed in insurable employment who is being trained under an occupational training course will not be eligible for unemployment insurance while in receipt of a training allowance, but will retain his benefit and contribution rights. The qualifying period will be extended to include any period during which he is being trained under an occupational training program and is in receipt of a training allowance. Similarly, his benefit period, which normally runs for a maximum of 52 weeks from the week of the claim, will be extended to a maximum of 156 weeks.

With these stipulations I do not quibble. However, I would argue that trainees should have unemployment insurance premiums deducted from their allowances for the entire duration of their courses. I discussed this matter with the minister and he was very sympathetic to my point of view. I hope he will be giving more consideration to the problem. In that way, Mr. Speaker, these people would build up credits and could qualify for unemployment insurance benefits if they were unable to secure employment upon completion of their courses. When they complete their courses, particularly in the schools of Cape Breton Island, under the present administration they have no hope of finding a job, given the figures I quoted a few moments ago. If they had some benefits to fall back on they would be in better shape, particularly if they found it necessary to move away from the island. I hope this will not be the case, because we get a little tired or exporting our brains to Upper Canada. I see the minister smiling.

The case to be made for such a step is very straightforward. The federal government, by removing the three-year labour restriction in the act has recognized the hardships now imposed by the act on young people with little work experience who are unable to secure jobs. It took them a long time to recognize that, Mr. Speaker. For ages we have been telling them that there should never have been a three-year period, it should have been only one year. When young men and women come out of school feeling that they have to kill time around the streets for three years before they can get training, it is very discouraging. They become depressed and disillusioned. They cannot find the employment they seek and neither can they get training because, until this bill was introduced, they had to be three years on the labour market. Thank goodness that provision is to be changed.

These young people are unable to accumulate enough unemployment insurance credits before they take a training course to qualify for UIC benefits after the course if they are still unsuccessful in their job seeking. I thought the minister might have taken care of that problem in this bill. His refusal to incorporate such a change in Bill C-195 is puzzling. On April 20, 1972, he promised to consider the matter and reply to my question the following day. I am sorry the minister has such a short memory that he had forgotten his promise when he introduced the bill six days later, on April 26.

If trainees are to pay income tax on their allowances, they should be able to make unemployment insurance contributions and collect benefits if they need them at the conclusion of the training. This is already being done in the case of students at the Coast Guard College at Point Edward. If unemployment insurance is to be truly universal as the government apparently intended, it should also apply to manpower trainees. It would also be fair, I maintain, for the federal government to be consistent with arrangements in private business and industry and to pay half the cost of unemployment insurance premiums in its capacity as the temporary employer of the trainees. These are not the only ways in which the manpower training program could be improved if it is to function adequately to aid the hard core unemployed and the poor, but these four faults of the Adult Occupational Training Act could easily have been rectified in Bill C-195.

There are a number of other points I should like to draw to the attention of the minister. One is the question of hairdressing courses. I have dealt with this matter at the provincial or regional level and have been informed that there has been a cutback in training people in hairdressing, particularly on Cape Breton Island, because it is felt there will be too many hairdressers. This may be so, but not everyone trained there will stay; they may go to Ontario, Quebec or other parts of Canada. However, if they had this skill it would stand them in good stead, for when they move along voluntarily or even if they are forced to move because of the inadequate economic policies of this government, such training should provide them with employment. I hope the minister will look into the problem and ascertain if there is any reason for a cutback in this regard.

• (1540)

Schools in Sydney and the surrounding area were told that no more applicants for hairdressing courses would be accepted. At the same time, the school in Halifax enrolled 15 students. It seems unusual to suggest that people in Halifax have more hair on their heads than the people of Cape Breton and need to look after it better. I do not know what the answer is, and I hope the minister will look into the matter.

I wish to raise another important point. Young lads interested in becoming trained morticians have come to me seeking help. Not everyone wants to be a mortician, but the job has to be done. Regrettably, in my province—I do not know if it happens in other provinces—people who are in business as morticians employ young men to do all the heavy work, lifting and on-the-job training, so to speak, for a small fee. When these young men want more money—and, after all, most of them are on call 24 hours a day—they are politely told by the proprietor of the establishment, "We cannot pay you any more. We can soon get other young men to take your place."

Usually these young men want more money so they can enrol in the appropriate school and obtain a licence as

embalmers. I hope the minister and his officials will consider helping young lads like these. This field of training ought to be included in the bill. There would not be a heavy drain on the treasury because I am sure not too many young men have entered this profession. Few members of the House, so far as I am aware, are members of the profession. However, it is an honourable profession and we should prepare young people to enter it. Actually, they would come in handy in burying this government after the next election which is no doubt to take place in a few months.

I agree with the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) who suggested that provision for language training should be included in the bill. I think that is an excellent idea for the simple reason that I supported the official languages bill. It has great merit. But I also agree with the hon. member for Grenville-Carleton (Mr. Blair) and others who have said that the official languages program is moving too quickly. Hon. members of other parties have suggested that the program is being force-fed to the public service and as a result B and B—bilingualism and biculturalism—has for those people become another sort of B and B—loss of bread and butter. Some public servants cannot continue filling jobs which require the use of both languages.

In Cape Breton, particularly, I understand that there are to be four or five vacancies in the public service. An eligibility list was drawn up and came into effect in December. On June 15 next that list is to be eliminated. Those who have been tested in connection with public service vacancies and who have passed their examinations are no longer to be eligible. We know that these lists are valid for one year and, as I said, the current list is to be eliminated on June 15. The competition in that case required employees to be unilingual and speak English only. I understand that public servants to fill those vacancies are to be selected from the previous list which required public servants to be bilingual. I think 23 applicants previously qualified for these jobs. Today I asked the President of the Treasury Board (Mr. Drury) what I, as the member representing the area, am to say to the people who will be discriminated against and who will not get the jobs even though they were previously considered eligible.

I am pleased to note that widows are covered by the bill. Often, in the area I come from and in the area in which the President of the Privy Council (Mr. MacEachen) resides, men become disabled and die, sometimes after long illness contracted in the coal mines, in the steel plant or in the fishing industry. Perhaps the man catches tuberculosis; sometimes he contracts silicosis. The compensation board in Halifax does not recognize silicosis as an illness coming under its jurisdiction. Often, because the man concerned cannot obtain compensation from the board, the wife or widow as the case may be must go out and work. There is great hardship in these cases. I am glad the minister has broadened the scope of the bill and made changes encompassing widows. He is to be commended for that.

I could mention a few other points but will relinquish the floor to other hon. members who wish to put their thoughts on record and persuade the minister to make

changes. In discussing the bill, the Minister of Manpower and Immigration (Mr. Mackasey) is reported to have termed the total package as a series of efforts to improve what is already perhaps the world's finest manpower program. I do not agree, Mr. Speaker, and I am sure many other hon. members do not agree with that statement. None the less, I commend the minister for what he is doing, and in the short time during which he will remain minister I look forward to changes which may be introduced in legislation of this type. The minister is a man with whom one can discuss problems. He will give you a really good hearing and act, if action can be taken. It is unfortunate that other members of the cabinet have not learned a lesson from the Minister of Manpower and Immigration.

Mr. Dinsdale: There you are, Bryce; there's a compliment for you.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I think the Minister of Manpower and Immigration (Mr. Mackasey) hopes to finish this afternoon the discussion on this stage of the bill. Although we will not delay it, I do not think debate on this stage will be finished by four o'clock.

May I mention briefly one or two items of interest to Canadian workers. These may affect future training in certain fields. I draw to the minister's attention the fact that earlier this week, at an oil seminar, it was suggested that if an oil pipeline is constructed down the Mackenzie valley, 6,000 workmen will be required to build it. Many of those workers will need special skills. Since much of this pipeline is to be built far from our cities in the south, it is hoped that some of the work can be done by people indigenous to the northern area. These people will need to be trained. Perhaps they can benefit from on the job training. I call this matter to the minister's attention because we ought to look ahead to employing such people.

Such a pipeline, if built, would be a big project in Canada. It would be too bad if through lack of trained manpower in Canada workers from another country were employed on the building of the pipeline. I suggest to the minister that it might be wise if he were to begin considering this problem. Even if the Mackenzie valley pipeline is not built, obviously other pipelines will be built in our north country. Special skills will be required. Workmen will be living and working in extreme cold. They will need special skills if they are to work under such conditions. I suggest to the minister that we ought to look ahead and anticipate what will be required in this respect.

While considering the Mackenzie valley pipeline, let us remember that if the pipeline is built, about one million tons of steel pipe will be needed. Someone must make the pipe. We hope that Canadian factories will make a good proportion of it.

Mr. Speaker: Order, please. I do not know whether the hon. member feels that what he is saying is related to the principle of the bill before us. Personally, I have some doubt.

• (1550)

Mr. Thomson: May I carry on for just a minute, Mr. Speaker? We shall require a considerable amount of training for work in the mills which manufacture pipe. This is

the point I wish to make. I also draw to the attention of the minister that building a pipeline as extensive as this will require expansion of the industry in Canada. It will also require expansion of training in Canada. This is the reason I raise the matter. I merely mentioned the one million tons of steel pipe required to emphasize the size of the project and the size of the labour force required in the steel industry, which is of special interest to hon. members. It would be unfortunate if we had to import the pipe because we did not have enough productive capacity or skilled labour to deal with this or similar projects. This is my point, and I leave it at that.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, let me begin by saying that I welcome some of the changes proposed in this bill to amend the Adult Occupational Training Act. The former minister of manpower who introduced this bill will remember the debate at that time, in which I participated. We took very strong exception to the provision the bill proposes to amend, namely, that a person had to be in the labour force for three years before qualifying for manpower training under the provisions of the act.

We pointed out that that provision would keep out of the manpower training program precisely the people who need the training most. I refer to relatively young people who have finished school but do not have the qualifications necessary to begin work. Although they do not have the training necessary, they are told they cannot receive the benefits of the program until they have been away from school and in the labour force for three years.

I do not intend to quote from *Hansard*, but I remember pointing out to the then minister that a person 18 or 19 years of age who had finished high school, was living at home and for whom it would be relatively simple and quite economical to provide training in our institutions was being told he had to wait for three years, by which time he would in all likelihood be married and meeting his living expenses while undergoing training would be a great hardship. I remember the arguments with which this point was met and the explanation as to why it should not be done. Therefore, we welcome the amendments proposed in this bill.

This is one of the few opportunities which we have in parliament to deal with the very real difficulties which we face in the whole field of employment and manpower training. To a large extent it is pointless and, indeed, cruel to be conducting such an elaborate and expensive manpower training program while at the same time accepting the fact, although the government does not admit it, that we shall continue to have large-scale unemployment in this country.

The minister is pointing out that we have only a few minutes left in this debate. I do not know why that is so. In any event, I hope the minister will take the opportunity, if not today then on a future occasion, to explain to the people of this country what earthly sense there is in spending several hundred million dollars on manpower training each year, when for the past two years we have had 6 per cent or more unemployment per month, on a seasonally adjusted basis.

As the leader of our party pointed out yesterday, projections made by the University of Toronto Institute for the Quantitative Analysis of Social and Economic Policy released a few days ago indicate that for the balance of 1972 and into 1973 we will be faced with the problem of having more than 6 per cent of the labour force unemployed. What sense is there in spending several hundred million dollars and keeping 100,000 or 200,000 people in training programs when there are over 600,000 people unemployed at the present time? I know there are political advantages to the government; it can say there are only 630,000 people unemployed today rather than having to admit that between 100,000 and 200,000 people in training programs will be added to the number of unemployed.

What jobs will these people be able to get when they have finished the training program? I wonder whether the minister and his department have conducted any surveys as to the number of people who have completed manpower training programs and have been unable to find jobs in the fields in which they were trained. Also, have any surveys been conducted to determine the number of people who have taken manpower training programs, not just once but two or three times? Attending manpower training courses becomes a way of life for some people rather than a method of getting better training in order to find a job. As long as we do not have a policy of full employment, manpower training to a large extent is a sham and a delusion. That is the first point to which we should address ourselves. Second, we need to ask ourselves—

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member. Is the hon. member rising on a point of order?

Mr. MacLean: Mr. Speaker, I presume that at this time the House leader will want to announce the business for Monday afternoon, Tuesday and Wednesday.

Mr. Speaker: Order, please. I thought the hon. member was rising on the same point of order which I assume the hon. member for Gander-Twillingate (Mr. Lundrigan) is going to bring to the attention of the House. For the moment I will recognize the hon. member for Gander-Twillingate.

Mr. Lundrigan: Mr. Speaker, my suggestion may be out of order, but in the interest of progress and co-operation it might be a good idea to allow this bill to proceed to second reading now and then go to committee, so that we can get our teeth into it there if other hon. members have suggestions and observations to make on it.

Mr. Mackasey: Mr. Speaker, I wish to speak to the point of order. I would be very glad to waive the customary winding up speech by the minister, particularly since the hon. member who now has the floor represents a party that is supposed to be vitally concerned and is, I am sure, anxious to see this bill passed as quickly as possible; unless, of course, I am misrepresenting the view of the hon. member who just spoke.

• (1600)

Mr. Muir: On the point of order, Mr. Speaker, perhaps I could try to act as devil's advocate. If we could all agree to allow the hon. member to finish his remarks, we might then co-operate with the minister in giving the bill second reading as quickly as possible.

Mr. Knowles (Winnipeg North Centre): I understand that my hon. friend from Winnipeg North (Mr. Orlikow) will be able to conclude his remarks in ten or 15 minutes. Perhaps the minister needs only ten minutes or so in which to close the debate, and on that understanding we might take that much time out of private members' hour.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Orlikow: Mr. Speaker, in the few minutes so far available to me I was discussing the purpose of such a large program as this unless we are committed to a policy of full employment. I turn now to a second question. My feeling is that we are to a large extent concentrating our training programs on the wrong people. I have the impression that students who have to a large extent finished their high school education can, given conditions of relatively full employment, find jobs themselves, at least if some encouragement to industry is forthcoming by the government to provide on-the-job training.

The people we are neglecting completely in our present programs are those who for historical and cultural reasons have never really fitted into our work economy. I refer, for example, to the Indian and the Métis people. I refer to large numbers of citizens in the centre core of every city in Canada who for various reasons have never found regular, gainful employment. In large numbers of families one finds second and third generations living essentially on welfare. I suggest to the minister, whom I believe to be one of the better ministers of the government, one of the more imaginative ministers and certainly one of the most concerned ministers, that his department should give special attention to the difficulties of those who have never been able to fit in to our work-oriented society, with a view to providing training for them.

We have often heard the suggestion that the government should be the employer of last resort. Proposals have frequently been made that the government should assume the responsibility of providing a job in the public service for every person for whom private industry could not find work. I suggest that the minister consider the idea that governments should become the employer of first resort for the hard-core unemployed. This is not a criticism of private employers, but we cannot expect private employers to hire large numbers of individuals who do not possess any skills and who have not received any training. Private employers are in business to make a profit, and one cannot fault them for doing so.

The minister and his department might well consider training those whose names are now largely to be found on the welfare rolls of this country at municipal, provincial and, indeed, the federal level in the case of the Indian people. They could then begin employment in government jobs. I am sure there are many poor people, both white and Indian, who would with some training work in hospitals as orderlies, nursing aids, and so on. I am sure there are many among the native people who could do work looking after the forests in the northern regions of Canada.

I suggest, too, that there are many Canadians, particularly women, who could benefit from training programs which, while not necessarily providing them with an opportunity to work, would help them make a better life for themselves. For example, many women, particularly in low income families, could make the few dollars which their families get in the way of earnings or welfare go a lot further if they knew more about the nutritional value of foods and more about cooking. There must be a large number of women who could make a better life for their families and themselves if they were able to sew, make their own clothes, and so on. In short, I believe the department should take a fresh look at the whole purpose of the manpower training program.

Lastly, I wish to say that I heartily approve the first steps about which the minister talked today toward the provision of a greatly extended program of manpower training on-the-job instead of concentrating almost all our effort on manpower training through the provision of courses in schools and community colleges. I am sure the minister has read even more carefully than I have the observations made by the Economic Council of Canada in connection with manpower training and policy in its eighth annual report. The view expressed by the council should cause all of us a good deal of concern. For example, it is pointed out that in the fiscal year 1969-70 only 3.9 per cent of the money spent by the federal government on manpower training in Canada was for training in industry, whereas in the United States 76.8 per cent was used to provide on-the-job training.

The council further points out that the Canadian adult training program represents, in comparative terms, a very substantial undertaking second only to that of Sweden. Further, the overwhelming proportion of our effort has been directed toward training not directly related to acquiring industrial skills; there has been heavy emphasis on institutional rather than on industrial training. The council states, and I am sure the minister knows this to be true from his experience, that to a large extent real training can only be carried out on the job itself where workers have an opportunity to become familiar with the physical plant and the materials used in circumstances in which they are involved with other personnel operating the equipment which is actually in use.

• (1610)

I should like to quote some examples given by the study commissioned in the United States. According to the survey—

—it probably "doesn't pay for schools to invest in locomotives, earth-moving machinery, big computers, etc., especially since instructional equipment is used only a few hours a day".

In other words, this observer is saying, and I completely agree, that the most effective job training that there can be is training on-the-job, in the plant, in the factory, in the workshop.

I am not suggesting that we should put a stop to our present program, that we should close down our manpower training centres or that things can be done overnight. But I am urging the minister, to the best of my ability, to look carefully at those things we have accomplished and at those we have not accomplished. I suggest a large number of things we have done have not worked well. I am not saying that they have failed, but they have not worked as well as they might and the money expended on them could have been put to better use.

I suggest we take a serious look at the overwhelming preponderance of spending on institutions—not that we cease doing what we are doing now but that in years to come we turn more to co-operation with industry and labour in our manpower training programs on the job in industry. I further suggest the department take a serious look at my proposal, which I admit is not an original one, that we begin to look at the problem faced by the hard core of people who are at the bottom of the economic and social ladder in this country, those who have been unable to find work and have existed in pretty miserable circumstances on welfare. We should devise programs of training to bring these people into the economic, social and working life of Canada so they can begin to benefit from this great country which has not done what it should have done for these people.

The Acting Speaker (Mr. Boulanger): Order. I appreciate there is a special arrangement, but to keep the record straight I must inform hon. members that if the minister speaks now he will close the debate.

Some hon. Members: Agreed.

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, my first remarks are to thank the hon. member for Gander-Twillingate (Mr. Lundrigan) for his courtesy and his appreciation of the urgency of the matter at hand. May I also thank the hon. member who has a very important private member's bill which he has waited a considerable period of time to introduce. I can picture him seething a little over in the corner, having been through the experience on previous occasions.

I am caught in the dilemma of, on the one hand, being very apprehensive and concerned for the undeniable rights of the private member and, at the same time, being quite conscious of my responsibility to answer many of the intelligent questions that have been raised during this debate. If I do not cover them all in five minutes—because I dare not go beyond that—I hope that when we reach the committee stage we will deal with them in a more specific manner.

As I said at the outset, I thought I had made it clear that I was not introducing what I regarded as the end-all, or a major overhaul of all the legislation of the Department of Manpower but, rather, I had concentrated immediately upon two points that all parties, my provincial counterparts and all responsible groups in the country concerned with the problem of manpower, had zeroed in on, namely, the need for on-the-job training and, second, the need to eliminate the three-year rule. I think the three-year rule served a very useful purpose and was a logical addition to the legislation at the time the bill was first formulated. Its purpose then was to direct priority to our senior workers in the work force, those who had lost their skill or had found their skill redundant or obsolete and needed a second skill in order to enable them to finish out their working days.

Times have changed and as the picture of the people who are unemployed has become clearer it has become obvious that those who are really suffering as a result of unemployment at the moment have definite characteristics. They are young, they are undereducated, they are quite often single. In too many instances they have not been part of the work force for long and therefore are unable to meet the three-year requirement. I think we all recognized this, and it has indeed been a tragedy.

All too frequently people become statistics. But they are not statistics; people are flesh and blood and have feelings. There is a tendency at times of high unemployment for the smug majority—the smug majority being those who are lucky to have work—to forget that the unemployed and those on welfare are more than statistics, that they are people who given the opportunity would work rather than remain unemployed, at least with very few exceptions.

What I have attempted to do today, as I made very clear at the outset, is at least to rectify at once one anomaly in the present act that is causing a certain amount of discrimination, unintentionally, against young people, both men and women, and at the same time remove the legal impediment against a permanent on-the-job training program after consultation with the provinces and, of course, the trade unions. This bill will do both these things. It will remove the impediment against young people who need training and it will permit the Department of Manpower to re-establish within the department our priorities in such a way as to give added impetus to on-the-job training, something that we have been unable to do under the present act.

The hon. member for Comox-Alberni (Mr. Barnett) a little earlier talked about the need to consult the trade unions. Earlier in my speech I said that I hope to be able next week to talk at length in the budget debate, since I am no longer minister of labour, about some of the responsibilities that the trade unions have to meet their moral and legal obligations to the unfortunate unemployed of this country, especially in the apprenticeship field and the concept of the closed shop.

Much of the impediment to retraining on the job and off the job and to our young people learning a skill arises from the archaic practices of the trade union movement itself. So while it is necessary and obligatory, and very much in line with my own philosophy, in introducing on-the-job training to take into consideration the views of the trade union movement, I am sure that the overwhelming majority of its leaders must and will assume that their co-operation will be needed over the next decade if we are to meet the kind of challenge that this country, with more and more capital-intensive industries, needs to meet.

The Department of Manpower is going through a period of very severe, in-depth appraisal at the present moment. The new deputy minister has already set up a task force to work on unemployment insurance to see how we can best co-ordinate the two items and render the best service

to the same client, the unemployed or even the employed Canadian. The hon. member for Cape Breton-The Sydneys (Mr. Muir) said some kind things about the export of brains from the Maritimes. My father came from Halifax, so I will give the hon. member no argument in that regard. I hope it is hereditary.

• (1620)

Next week I should like to discuss with him his concept of unemployment, but I must remind him that at the present moment a person on the job or taking a course, as they call it, who is eligible for unemployment insurance can postpone his unemployment insurance and re-enter the cycle at the appropriate place when his course is completed, or he can while he is on the course receive a training allowance supplemented by unemployment insurance so he does not suffer financially by taking the course rather than remaining at home untrained but on unemployment insurance.

Mr. Speaker, I will just look back quickly to see if there is anything of real urgency that cannot be answered in depth at the committee stage. I will not even pass comment on the number of hairdressers in the Atlantic provinces, but probably this accounts for the very well groomed look of most of the members from that part of the country. Perhaps this is where the Minister of Manpower should be going for his haircuts.

In any event, let me say that the passage of this bill, which I hope will be completed very early next week, will go a long way to bringing an end to the unintentional discrimination in the old legislation. This is something I am sure all parties endorse and I hope all parties, realizing the importance of the need to end this type of unfortunate and unintentional discrimination against certain groups of Canadians, will give us extraordinary co-operation next week in order that the bill may pass the committee stage and third reading.

Motion agreed to, bill read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

* * *

BUSINESS OF THE HOUSE

Mr. MacEachen: Mr. Speaker, if I may respond to a question asked earlier by the hon. member for Malpeque in respect of the business for next week, we will call the farm credit bill on Monday, followed by the CNR expenditures bill.

Mr. MacLean: I presume that order will be followed on Tuesday and Wednesday?

Mr. MacEachen: Yes, if we do not finish it.

The Acting Speaker (Mr. Boulanger): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions and private bills.

[Mr. Mackasey.]

[*Translation*]

PRIVATE MEMBERS' PUBLIC BILLS

PARLIAMENT HILL

MEASURE RESPECTING USE OF THESE DESCRIPTIVE WORDS

Mr. D. Gordon Blair (Grenville-Carleton) moved the second reading of and concurrence in the amendments made by the Senate to Bill C-78, respecting the use of the expression "Parliament Hill".

Mr. Clermont: I rise on a point of order, Mr. Speaker.

Before the House agreed to continue the debate on Bill C-195, to amend the Adult Occupational Training Act, it seems that we had agreed that two public bills could be examined this afternoon, that is Bill C-78, respecting the use of the expression "Parliament Hill", which was introduced by the former member for—

[*English*]

Mr. Knowles (Winnipeg North Centre): That is what the Speaker just called en français.

[*Translation*]

The Acting Speaker (Mr. Boulanger): Order. I should like—

Mr. Clermont: Mr. Speaker, I rise on a point of order.

Even though the hon. member for Winnipeg North Centre (Mr. Knowles) has the reputation of being an authority on procedure in the House, I have risen on a point of order and if he will just wait patiently one minute he will know the reason for my intervention. There was a possibility that Bill C-78, introduced by the former hon. member for Ottawa-Centre (Mr. McIlraith) who is now in the Senate, and also Bill C-17, to amend the Motor Vehicle Safety Act (seat belts), introduced by the hon. member for Surrey-White Rock (Mr. Mather), might be passed today on second reading.

Here is my point of order, Mr. Speaker: Could it not be ruled that only Bill C-78 be dealt with, after which the House would adjourn?

Some hon. Members: Agreed.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I say that was implied when we agreed half an hour ago to eat into private members' hour in order to clean up the bill of the Minister of Manpower and Immigration (Mr. Mackasey). It was understood then that we would leave enough time to deal with Bill C-78 which has now been called, but the hon. member for Surrey-White Rock (Mr. Mather) realized that his bill would have to be dealt with on another occasion.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, it might be of assistance to hon. members if I were to offer a word of explanation to the amendments which have

been presented to us. Hon. members will recall that this bill was passed unanimously because it was the clear intention of the House to provide protection against the commercial exploitation of the words "Parliament Hill".

Subsequently in the other place it was discovered that some complications existed which were not known to this House when the bill was passed. It has been discovered, among other things, that the place where the legislature of the province of Quebec is located is described in the Statutes of Quebec as "Parliament Hill", or "Colline Parlementaire". Therefore, the bill has been amended so it will not apply to the use of the words "Parliament Hill" in reference to the site of the legislature of the province of Quebec or of any other province.

Perhaps it is unnecessary for me to go into the details of the amendments which have been made, except to say that an addition has been made in paragraph (a) of clause 1, limiting that paragraph to the national capital region. So that all we would legislate, were this amendment to be adopted, would be a prohibition of the description or designation of a property in the capital region as "Parliament Hill", except for the actual Parliament Hill upon which our parliament is located.

The other amendment which has been made is to paragraph (c) of clause 1. It has the effect of clarifying the language we adopted in originally passing this bill in the House. This clause now reads as a prohibition against using the words "Parliament Hill" in combination in association with a commercial establishment providing service.

• (1630)

I might say I have had the privilege of having a discussion with the hon. member for Winnipeg North Centre (Mr. Knowles) who originally seconded this bill in the House at second reading stage. I believe both he and I are in agreement that had we had the preparation of these amendments we might have chosen perhaps different language and a different formulation. However, I have looked very carefully into the effect of these proposed amendments and I am persuaded that the effect of the amendments is not to weaken the original bill.

The meaning of the main amendment is to permit the use of the phrase "Parliament Hill" as a description of a site outside the capital region so long as it is not a commercial site. In other words, the amendment presented and the bill in its amended form do not weaken the original intention of this House in respect of protecting the use of the words "Parliament Hill" from commercial exploitation. I hope that with that explanation it will be found possible to concur in the amendments made in the other place.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the hon. member for Grenville-Carleton (Mr. Blair) was kind enough to point out, I had the honour of seconding the motion for second reading of this bill when it was moved in this House by one of our former colleagues who has now gone to another place.

An hon. Member: He has passed over.

Mr. Bell: He has gone to the other place.

Mr. Knowles (Winnipeg North Centre): The interest in that other place here in this place seems quite active. At any rate, I thought it was a good bill and I must say I do not like what the Senate has done to it. It seems to me if there was a need to protect the right of the people in Quebec City to refer to the location of the Quebec National Assembly as Parliament Hill and if there was a need to protect the right of the people in Edmonton to refer to the location of the provincial capital of Alberta as Parliament Hill—and I understand these are the only two cases in this country where it applies—this could have been done in a better way. Indeed I think this could and should be done in a way that would not seem to leave a loophole for the term "Parliament Hill" to be used in other connections.

On the assumption that some people read *Hansard* and may wonder what this is all about, I believe, it is necessary to place on the record the wording of clause 1 of the bill which is being amended by the motion now before us. That clause before it was amended by the Senate read as follows:

> Notwithstanding anything contained in any act of Parliament or regulation thereunder, no person shall use the words "Parliament Hill" in combination
>
> (a) to describe or designate a property, place, site or location other than the area of ground in the city of Ottawa bounded by Wellington Street, the Rideau Canal, the Ottawa River and Bank Street,
>
> (b) to identify any goods, merchandise, wares or articles for commercial use or sale, or
>
> (c) in association with a commercial service rendering establishment.

The Senate has proposed as its first amendment a change in the wording of paragraph (a) which I just read, so that paragraph (a) as amended would read as follows:

> (a) to describe or designate a property, place, site or location in the national capital region other than the area of ground in the city of Ottawa bounded by Wellington Street, the Rideau Canal, the Ottawa River and Bank Street,

There is more in this clause but I will come to that in a moment. What bothers me about this change is that we seem in paragraph (a) of clause 1 to be saying that the prohibition against using the phrase "Parliament Hill" to describe a property applies only in the national capital region. In other words, nobody can do it in the national capital region. Nobody can call anything else "Parliament Hill" in this immediate area, but out in the Ottawa valley where my friend hails from, or in Brandon, or in Saint John, in Moncton or in Halifax there is no prohibition against using the phrase "Parliament Hill" to designate a property.

If all we wanted to protect was the right of provincial legislatures or the members of provincial legislatures to use the term "Parliament Hill" in relation to their locations, I think this could be done much more easily by amending clause 3 of the bill. Clause 3 now reads:

> This act shall not be construed to limit in any way the powers, privileges, rights and immunities of both Houses of Parliament and of their members.

I would think there could be added to clause 3 these words: "or of the provincial legislative assemblies and their members". Out of a desire to protect the right of provincial bodies to use the phrase "Parliament Hill", and in fact out of a desire to protect that for just two locations,

Quebec City and Edmonton, we have been given wording that would provide carte blanche. It says in effect that the phrase "Parliament Hill" can be used without offending this law anywhere in Canada except in the national capital region.

Someone in the other place suggested that some of the Senators were making too much out of this issue, and I do not want him to say we are doing the same thing here. I recognize that in practical terms no hotel in Smiths Falls or in Manitou, Manitoba, or in Swift Current, Saskatchewan, is likely to want to use the name "Parliament Hill", but if we are legislating to protect the use of this phrase I think we should do it for the whole of Canada and not just for the national capital region. I recognize also that the learned member for Grenville-Carleton has applied his legal talents to the other change being made in the bill, namely, in paragraph (c) of clause 1, and that he is satisfied that because we will now use as the wording for paragraph (c) the language, "in association with a commercial establishment providing services" that we will be protected against a hotel, a restaurant or a pool hall taking that name anywhere in Canada.

I also know that my hon. friend from Grenville-Carleton is not the only person learned in the law and that lawyers have a way of finding loopholes. I would be afraid that some lawyer defending some outfit which wanted to use this name would make something out of the fact that in paragraph 1(a) Parliament said you cannot use the phrase "Parliament Hill" but the only place in which you cannot use it to describe a property is the national capital region.

• (1640)

I think Their Honours, who are supposed to be capable of sober second thought and of looking things over, did a clumsy job on this thing. I have no objection to their desire to protect the rights of the National Assembly of Quebec who sit in Quebec City, or the rights of the members of the Legislative Assembly of Alberta who sit in Edmonton, but it seems to me that it could have been done in a much neater way. The wording we now have seems to suggest that we are making a law prohibiting the use of the phrase "Parliament Hill" on the understanding that that prohibition applies only in this national capital region.

I think Mr. McIlraith's bill, since we can call him by his name now that he is no longer a member of this House, was a good one and I was happy to second it. It was passed unanimously. I wish Their Honours had taken a little more time and had come up with a less clumsy way of coping with the problem that was presented to them.

Our procedure for handling amendments made by the other place is very awkward; there is really no chance to move an amendment or a subamendment. We are dealing with this with Mr. Speaker in the chair, not in committee of the whole. We are stuck with it unless we want to have a conference of managers of the two Houses. That would be making too much of a fuss; it would be carrying the thing a bit far, so I suppose all I can do is record my opposition and at least say "On division" to the passing of this amendment. As between the bill as it stood and the bill as it came back from the Senate, I would rather have it as it stood, although I would have been quite happy to accept an amendment to clause 3 along the lines I indicated.

[Mr. Knowles (Winnipeg North Centre).]

In any case, I hope it is clear from what has been said on the pages of the *Hansard* of this House that we mean what Mr. McIlraith meant when he brought in the bill—that we want to protect the use of the phrase "Parliament Hill" against commercial exploitation not only in the national capital region but anywhere in Canada.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I think the debate this afternoon has been particularly interesting. I followed the remarks of my colleague, the hon. member for Grenville-Carleton (Mr. Blair) and my good friend the hon. member for Winnipeg North Centre (Mr. Knowles) very closely. I must confess that I am quite impressed with the argument of the hon. member for Winnipeg North Centre. He points out that the effect of the amendment before us is to limit clause 1(a) to the national capital region. This raises a broader question as to possible designation of any number of other areas outside the national capital region, which is clearly contrary to the expressed intent of this bill. It also raises the second question of whether there are limitations, in any geographic sense, imposed in paragraphs (b) and (c). My lay opinion of the wording would be to say no to that, but there may well be a question raised about it.

There are times, Mr. Speaker, when all of us, with the best intentions in the world, rise very sincerely to protect the symbols of our nation. There is the question of the protection, for example, of "O Canada" and at other times in this place we have had debates to prevent its use as a commercial. The measures to designate and develop Canada Day fall in the same category of the preservation of symbols.

There are times, however, Mr. Speaker, when we have to keep a sense of humour about things. For instance, clause 1(b) prohibits the use of the words "'Parliament Hill' to identify any goods, merchandise, wares or articles for commercial use or sale". I presume that leaves us in the position where we can allow the use of "Parliament Sauce" to continue, but there could be no "Parliament Hill Sauce" ever designated, promoted or otherwise offered for sale in Canada. There is a real question of whether we are doing things in such a way that it is on occasion going beyond the limits of what is in fact practicable and enforceable. The penalty provided is that an offence is "punishable on summary conviction".

Mr. Speaker, it is with some reluctance that I shall vote for the bill, not because I do not agree with its general purpose but because I have reservations, as expressed by the hon. member for Winnipeg North Centre, about whether the amendments that have been proposed will really achieve the purpose in mind. On balance, I am going to support the bill—I can hardly do otherwise—but I cannot help but strongly express the wish that there were a procedure for consultation more frequently used between the other place and this House when there is a difference of opinion in respect of a bill and when amendments are offered. I understood such a provision exists but has fallen into disuse. In the period that I have been in this House I cannot recall its ever being implemented.

Mr. Knowles (Winnipeg North Centre): It is clumsy.

Mr. Francis: Well, maybe a clumsy procedure is better than bad legislation. I regret that there was not an opportunity for joint consultation between members of the other place and members of this House.

Mr. Knowles (Winnipeg North Centre): May I ask the hon. member a question?

The Acting Speaker (Mr. Boulanger): Would the hon. member for Ottawa West (Mr. Francis) accept a question?

Mr. Francis: Certainly.

Mr. Knowles (Winnipeg North Centre): The hon. member for Ottawa West (Mr. Francis) indicated that he would be supporting the bill, as we all did at second reading. Is he also supporting the Senate amendments?

Mr. Francis: Mr. Speaker, I am going to support the amendments out of a very practical consideration that the alternative to not supporting them is probably to jeopardize the bill itself.

Mr. Knowles (Winnipeg North Centre): Not with George over in the Senate now.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I had a few words to say on behalf of our party when this bill was at the second reading stage, and therefore I should like to say a few words now. I am not surprised that the hon. member for Winnipeg North Centre (Mr. Knowles) might be a little biased in his judgment of things that come from the other place, but I am a little surprised that my hon. friend who has just spoken seems to have the same attitude.

I tend to agree with the hon. member for Grenville-Carleton (Mr. Blair) that these amendments are, over-all, an improvement. I see them as meeting the objection that was raised, and with that I think we all agree, that we are not limiting the right of other legislatures or areas to use the term "Parliament Hill".

Mr. Knowles (Winnipeg North Centre): We should have said that.

Mr. MacLean: I think it could have been said in a neater way; I agree with the hon. member on that. However, as I read the bill as amended it means that three things cannot be done under it. One is to name any site in the national capital region or any place or establishment as "Parliament Hill"; secondly, that name cannot be used anywhere in Canada or in the federal jurisdiction for goods, merchandise, wares or articles for commercial use or for sale and, thirdly, the bill prohibits the use of the name in association with a commercial establishment providing services anywhere in Canada.

As I understand the bill as amended by the Senate, the only loophole would be the possibility that it permits the use of the name "Parliament Hill" outside the national capital region by some organization that is not commercial and does not supply services. There may be an organization that might use the words "Parliament Hill" but I think the likelihood of that is not very great and I would support the amendment.

Mr. Blair: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Boulanger): Order. The hon. member for Grenville-Carleton (Mr. Blair) rises on a point of order.

Mr. Blair: Mr. Speaker, I rise on a point of order but I freely confess it is not a good point of order. I wonder if I might have the indulgence of the House to make one comment which I failed to make earlier.

The Acting Speaker (Mr. Boulanger): Is there unanimous consent?

Some hon. Members: Agreed.

• (1650)

Mr. Knowles (Winnipeg North Centre): An honest request deserves unanimous consent.

Mr. Blair: In view of the excellent analysis of the legislation made by the hon. member for Winnipeg North Centre, I think a few words should be offered for the sake of the record in order to explain the apparent awkwardness of the amendments which were made in the other place.

As I understand the traditions of parliament, it has been the universal custom for this House and the other place not in any way to attempt to interfere with the definition or prescription of the immunities and privileges of provincial legislatures. There is considerable law on this question. Reference has been made to the leading case of *Fielding v. Thomas*, 1893, in which it was held that "provincial legislatures have power to pass acts for defining their own powers, immunities and privileges," and so on. I think, out of deference to this longstanding tradition, members of the other place decided not to refer specifically to the legislatures or sites of the legislatures of provinces in the way in which the hon. member for Winnipeg North Centre suggested might be done.

I offer these comments as a historical footnote so that there may be something on record to show the reason for the wording with which we have been confronted in this debate.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I support this bill and I think the hon. member for Malpeque (Mr. MacLean) has given good reasons for supporting it. You must accept the purpose for which this bill was brought in. If you start to mess around with it you are likely to get into trouble, and that is what happened in the other place. They tried to make it somewhat more inclusive than it was intended to be.

When the bill was previously before the House on second reading, I raised one or two questions and was told, quite rightly, that the bill had only one purpose and that my questions were not related to that purpose. This bill has been introduced for one particular purpose. If we accept that, I do not think we will be reluctant to pass it. No doubt one thousand questions could be raised about its applicability to provincial jurisdictions, about whether

it ought to apply to phrases other than "Parliament Hill" and so on. For instance, someone might open a beer parlour in the Chateau Laurier and call it "Room 16". Would we be against that? This bill has a narrow purpose and in that context I support it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order, indeed on a question of privilege. I deplore the suggestion that "Room 16" is a beer parlour.

The Acting Speaker (Mr. Boulanger): Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): On division.

Motion agreed to, amendments read the second time and concurred in.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

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

Some hon. Members: Agreed.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.